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The Nation's Business

Newspaper Enterprise

Who's to Blame for the Muddle in Newsprint?

Immigration Autocracy

NEWSPAPER ENTERPRISE

THE management of the Telegraph-Journal and Times-Globe, Saint John, are to be congratulated on their enterprise in sending their managing editor, A. M. Belding, on the inaugural trip of the "Lady Nelson" to the British West Indies.

Mr. Belding has sent back an excellent series of articles to his newspapers, which should be of general interest to readers and of real value to business men in the Maritime provinces.

Knowledge is power; at least it is latent power. Mr. Belding has furnished his readers with information which, rightly used, should help to turn the wheels of industry a little faster in the Maritime provinces.

Newspapers which take leadership in this way are performing a real service to their city, their province and the whole Dominion of Canada.

People are apt to take their newspaper as a matter of course. Rarely do they appreciate the large investments that must continually be made in building up a larger and more valuable paper for them to read; investments that often bring no immediate return; investments that often benefit a newspaper only indirectly because of some immediate benefit to the field served by the paper. Many industries have gained in prosperity from the work of the well edited business newspapers serving them; similarly many communities have become prosperous due to the good work of their newspapers.

* * *

NEWSPRINT SITUATION

RUMOR now has it that the newsprint moguls are working to a point where a $55 a ton newsprint price can be set for 1929. It is to be hoped that rumor is right. Even for those newsprint companies which have no bonded indebtedness and no preferred stock, the $55 price would certainly prove no bonanza, particularly as the mills will only operate at about 80 per cent. capacity.

The Financial Post has always felt and expressed the highest regard for the ability of the leaders of the Canadian newsprint industry. Individually, there is no other group of executives in the Dominion equalling the newsprint leaders in ability, integrity and far-sightedness. But as a group, the newsprint executives have botched, and botched badly, the present situation.

For over two years, The Financial Post has steadily pointed out that the newsprint industry was to face troublous times. Toward the middle of 1928, everyone with any knowledge of the industry realized that action, and quick action, was needed to prevent the difficulties which have since occurred. At that time, The Financial Post in a series of editorial and news articles first initiated the constructive thought of co-operation amongst the producers.

It is only fair to say that several of the larger manufacturers regarded The Post's stand favorably; but others scoffed at, or ignored, the attempt of this paper to improve the situation. Later, when no action took place, The Financial Post suggested that the governments of Ontario and Quebec prod the companies into action. Following these suggestions, Mr. Taschereau and Mr. Ferguson got together and took action. Later in the year, C. R. Whitehead, of Wayagamack, was finally successful in initiating negotiations between the companies. These negotiations began with a view to cementing a rapport, which would permit the maintenance of fair prices.

* * *

ACTION came too late. Now there is some cavilling at International Paper's action in cutting newsprint prices to the bone. But International Paper cannot be blamed for the present situation.

Archibald Graustein and his associates are business men—and keen ones at that. Attempts to undervaluate their abilities are futile.

That company saw an opportunity of closing a contract. They seized it. True enough, the price was low—but the contract would permit International's mills to operate at capacity.

Canadian mills, on the other hand, will not be able to operate at capacity and will have to obtain higher prices in order to make earnings proportionate to those of International Paper. But the Hearst contract made by International Paper obviously is a factor seriously affecting the prices of the other producers.

There is a possibility that some of the difficulties which surround the Canadian industry may be ironed out shortly. Whether the present negotiations be successful or not, it is certain that those representing the Canadian industry as a whole have been slow to act and have been outjockeyed, in their attempt to get the rail position in the industrial race.

* * *

IMMIGRATION AUTOCRACY

WHEN the department of immigration recently cancelled its agreement with the railways regarding the migration from the so-called non-preferred European countries there was a general tendency for the Canadian press to hail the action with some approval. The department gave the public the impression that the country was being flooded with hordes of unkempt, illiterate laborers from Southern Europe, who were flocking to our cities and robbing good Canadian citizens of jobs.

The statement issued this week by

(Continued on page 2, col. 6)

HIGHER RATE ON CANNERS LIKELY SOON

Increase on Second Preferred Brings Payment on Common

SALES UP 10 PER CENT.

Say Company Will Have Reached Objective of $6,000,000 Working Capital This Year

An increase in the dividend rate on the second preferred stock of Canadian Canners in an authoritative quarter is considered probable about April 1. An increase in the rate on the second preferred automatically will bring a dividend on the common. The second preferred is now in receipt of 60 per cent. In future payments, the common participates in increasing ratio until both common and second preferred reach a $1 basis simultaneously.

Dividend requirements on the two junior stocks are relatively as follows:

2nd. Preferred	Common
60c.	nil
70c.	25c.
80c.	50c.
90c.	75c.
$1	$1

Sales Up Ten per cent.

Sales of Canadian Canners in 1928 were about 10 per cent. greater than sales in 1927. It is estimated that profits will be proportionately somewhat greater. In 1927, the earnings were $813,466 before bond interest, but after taxes. On an estimate of $925,000 earnings for 1928, the profit and loss account would look something like this:

Net earnings	$925,000
Bond interest	230,000
Net profit	$695,000
Dividends 1st pref.	273,000
2nd. pref.	218,000
Bal. forward	$204,000

Outlook for 1929 is considered at least as good as for 1928. Prices are stabilized and the returns from sales of the goods carried over from last year can be definitely calculated. The pack for 1929, of course, cannot at this stage be estimated but, assuming a reasonably good growing season, the company will enjoy as good a year as 1928.

Two Increases Possible

At the time of the capital reorganization of Canadian Canners, in December, 1927, it was intimated that annual increases in dividends on the second preferred and common reasonably could be expected. None came in 1928, but two are possible in 1929. The April increase may be to 70 cents on the second preferred, and 25 cents on the common, while later in the year, if the prospects for good business remain, the second preferred may reach the 80-cent stage, at which point the common would be in receipt of payments at the rate of 50 cents per year.

On the basis of a full year's dividends at 80 cents and 50 cents, there still would be surplus to carry forward if earnings for 1929 were no greater than $925,000, the estimate for 1928.

The net earnings for Canadian Canners are reported after taxes and after liberal writeoffs for depreciation and other reserves. It is believed that the liquid assets of the company will reach approximately $6,000,000 by July of this year, when the inventories will be at their low figure. The interests directing the financial affairs of the company have allowed it to be known that the directors would be more generous in payments to shareholders when the liquid assets had reached the $6,000,000 mark. There is hardly a doubt that this will be achieved in the present year.

HIRAM WALKER

Hiram Walker-Gooderham & Worts sold about 2,500,000 gallons of whisky in 1928, according to a dispatch from New York. Net earnings in November were about $450,000. Sales to Ontario government stores were about one-third of the total, and these were said to have been 30 per cent. larger in December, 1928, than in the corresponding month of the previous year.

McKinnon Shares Lower Although Revenue Up

One Formerly Consistent Buyer "Out of Market Pending Negotiations" of Mysterious Nature

From a 1929 high of 76½ McKinnon Industries common has sold down in the last week to 64, although it is reported authentically that earnings for the fiscal year ending September 30 will be in excess of $10 per share, probably $12.

In the first quarter, ended December 31, of the present fiscal year, McKinnon earned at the rate of $1 per share per month. The St. Catharines plants are working at capacity 24 hours per day. Orders actually signed will keep the plants running at capacity until after the end of the fiscal year.

General Motors Rumor

It has been reported that General Motors is negotiating to take over the company, which is largely engaged in making parts for General Motors' cars. But the rumor is discounted in certain quarters which usually are well informed. For one thing, it is pointed out that the policy of the larger motor manufacturers is to buy parts from independent manufacturers. This policy facilitates changes in models and does not make the manufacture of parts any more expensive. Ford is following this policy now, although for about a decade he manufactured the complete car.

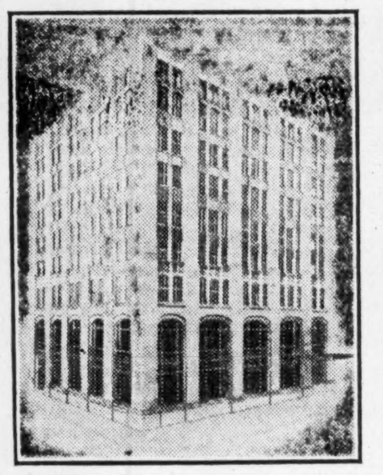
Negotiations of another character may be taking place, however.

Holders Are Puzzled

An investment house which has been a consistent buyer of the common stock has not been in the market for three or four weeks. It is explained that this house prefers to remain in a neutral position until the outcome of the pending negotiations is determined. The suggestion that, regardless of any negotiations, the stock is selling at present out of line with the market, brought a non-commital reply.

McKinnon reported profits of $6.22 on the common for the fiscal year ended September 30, 1928, at which time the stock was selling at approximately ten times earnings. The present situation, with the stock selling at only about six times earnings in the face of a favorable stock market, is puzzling holders.

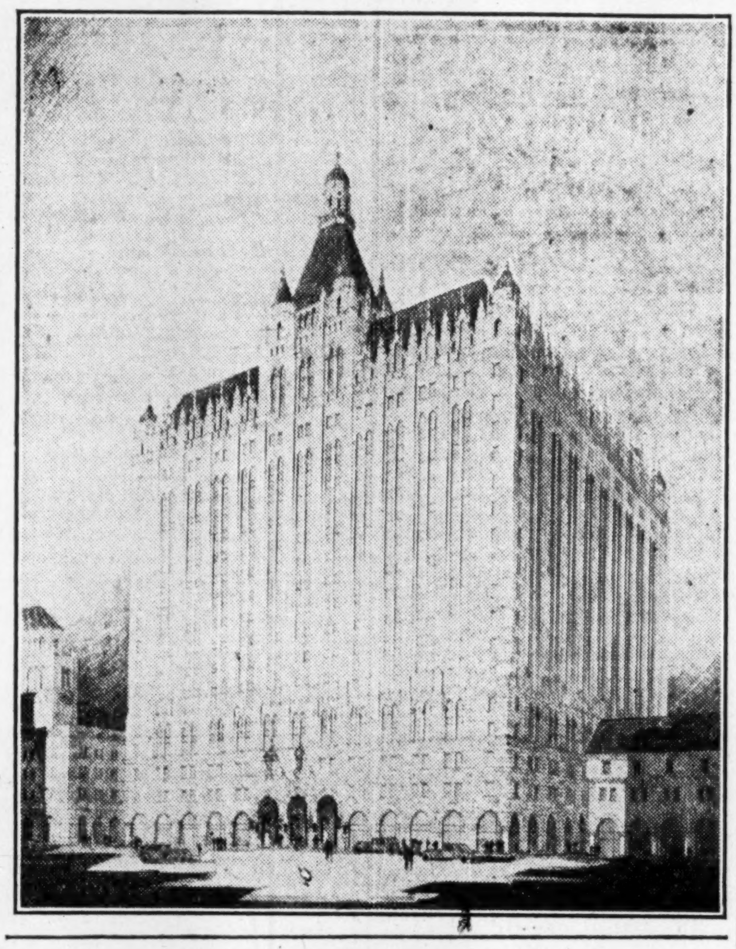
New Home of The Financial Post and Sister Papers



Immediately above is shown the new wing just completed by The MacLean Publishing Company, Toronto, publishers of The Financial Post and 25 other magazines and business and technical newspapers. The building adjoins the company's present home on University Avenue in Toronto.

It is but the first stage in a much larger development that calls in time for the completion of the beautiful structure shown at the right. The final building will occupy a complete city block and will be approximately 25 stories high.

The architect's drawing is as yet but the preliminary sketch and will require considerable revision in details, and possibly in general plan.



NICKEL OUTLOOK STILL ATTRACTIVE TO OLD FRIENDS

New Developments May Lead to Great Earnings in Future

From Our Own Correspondent

MONTREAL.—The financier who was chiefly responsible for introducing International Nickel to Canadians thinks that the possibilities of this remarkable performer have not yet been fully discounted. The technical position of the stock is not unsound, he says, in fact, buying is of a more consistent and stronger nature than in former periods. Generally speaking, it seems that the weaker sisters have been eliminated from the market, and buying for the most part appears to be for a long hold. Undoubtedly there is a considerable short interest in the stock, but no fears are apparently held on this score.

The demand for nickel in the U. S. increased approximately 100 per cent during the past year, and the European demand increased by about 34 per cent. Though there is no guarantee that this tremendous growth in the world requirements for nickel will continue indefinitely, there is no doubt that the demand exceeds the supply at the present time.

Has Great Potentialities

The latest developments at the mine have been given the company millions of tons of ore which were almost unexpected. Present assays of the new ore body are thought to run about $100 a ton. The main shaft at the mine has been built to handle 10,000 tons of ore daily, its ultimate capacity. On this basis, with ore running at $50 a ton, a conservative estimate, there is indication of eventual earnings of $150,000,000 a year. It may and probably will be some years before this tremendous production is reached, but the function of the stock market is to discount the future. International Nickel may have its ups and downs on the stock market during the next few years, but the long view of the stock still seems attractive to those who have stayed with it during its sensational rise, is the view expressed by those with some knowledge of the company and the position of the shares marketwise.

It is officially announced that 85 per cent. of Mond Nickel ordinary shares have been deposited for exchange on a share for share basis for International Nickel Co. of Canada.

The merger will now be consummated. Time has been extended for holders of Mond, not yet transferred, to od so, up to Feb. 1. Mond method of handling the transfer has been severely criticized, not without reason. Shareholders are mulcted for double transfer costs and get a non-negotiable receipt, tying up their funds for about six weeks.

Vickers Preferred Sells Out of Line With Other Stocks

C. P. R. Not Leasing B. & M. Boston Line

From Our Own Correspondent

MONTREAL.—A representative in the legislature of the State of New Hampshire has introduced a bill which would permit the lease of the lines of the Boston and Maine Railroad from the Port of Boston up to northern Vermont. In New Hampshire, gossip has it that legislation has been introduced with a view to permitting the Canadian Pacific to obtain its own line to the U. S. Atlantic seaboard. However, opinion here believes that the C.P.R. is in no way interested in leasing the Boston and Maine line connecting Montreal and Boston. It is admitted, though, that the Canadian Pacific might relish obtaining a second route to the sea other than its present connections over the Maine Central lines to Sain John, N. B.

LAKE OF WOODS STILL ACQUIRING WESTERN PLANTS

Now Controls Seven Baking Companies in Western Provinces

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Company continues to expand its holdings in Western Canada. The company now controls seven or eight baking companies throughout the West, the largest of which is the Speirs-Parnell Company, of Winnipeg. No change will be made in the policies or staffs of these subsidiaries at present. When Lake of the Woods expansion has been completed, and this will not be till 1930, a new holding company will be formed to control the western chain. No new financing will be undertaken until that time.

In view of the unsettled state of the export market, this expansion of Lake of the Woods seems a constructive move. The company is assured of a consistent demand from the domestic market, and a corresponding stability should result in the company's earning power.

Flour exports have not maintained the strength which they displayed in the fall of 1928, and heavy preferential tariffs make for a low profit on flour sold in Europe. The milling companies are concentrating on the domestic market to a greater degree than ever before. Their entry into the baking field in Canada, bears out this point. If the companies can establish, by the acquisition of baking companies, large sales in the home market, earnings are less liable to fluctuate according to the demand for flour from European countries.

Lake of the Woods Milling is an old established and well managed company. It occupies a sound position in the milling industry, and the present expansion of the company augurs well for its future earnings.

ENGLISH ELECTRIC

Shareholders of English Electric Co. last week received a first dividend of $1.50 per share on the new Class "A" stock. It is understood that a further dividend of 75 cents per share will be declared at the next directors' meeting, for the quarter ending March 31, this being at the rate of $3 per annum.

The old stock has been withdrawn from the Toronto curb and the new stock and fractional share warrants substituted. It is planned to list both class of stock on the big board at Toronto at an early date.

Despite Appreciation of Common, Preferred Still Gives High Yield

POSITION SATISFIES

From Our Own Correspondent

MONTREAL. — The preferred shares of Canadian Vickers appear to be selling below the level of other comparable preferred shares. The stock is now selling on a 7.78 yield basis and sales this week have taken place as low as $89.

In the situation surrounding the company there seems naught of an unfavorable character. This has been evidenced in recent weeks by some appreciation in the common shares, despite the fact that the preferred have languished marketwise. Probably the real reason for the low price of the stock lies in the general public apathy toward anything but speculative stocks and common stocks which give indications of appreciating over a term.

The time will come — sooner or later—when the investing public will not neglect eminently satisfactory yields in favor of speculative possibilities. When this occurs, no doubt there will be an appreciation in some of the sound preferred securities.

Plants Very Busy

With the exception of its ship building department, all other departments of the company are operating on an eminently satisfactory scale of production. When the shares

(Continued on page 2, col. 5)

Senators of United States Would Probe Paper Trust

But Whole Thing Looks Like Attempt by Senator Schall to Get Himself Some Publicity

From Our Own Correspondent

WASHINGTON, D. C.—Hearing on the proposal of Senator Thomas D. Schall for an investigation of the newsprint "Combine" in Canada to have been held Wednesday has been postponed for a week, due to the absence from this city of certain needed witnesses.

It is doubtful if the testimony to be given will go into any great detail, as the matter is only in its preliminary stages, with the committee on agriculture to decide whether it will recommend to the committee on audits of the Senate an appropriation to cover the expenses of a full investigation to be made by a special committee of five senators.

Another question which will come up, is whether the proposed investigation, which concerns actions which have taken place in a foreign nation, are a fit subject for investigation by a congressional committee. This may be referred to the state department for an opinion.

In addition to this will come the further question of what remedy, under United States law, can be used in case it is found that the Canadian "combine" is acting wrongfully. Along this line it seems apparent that the Sherman Anti-Trust Act, under which monopolies in restraint of trade can be prosecuted in the United States, cannot be invoked, for that law hardly can reach so far as to affect a foreign corporation, unless to forbid its doing business in this country. Since United States publications of many classes are totally dependent upon the Canadian "combine" for newsprint, this could hardly be done.

Another phase of the matter is that newsprint prices at the present time are lower than they have been for many years. Senator Schall states that while a contract made with the Hearst publications gives them a price of $50 per ton for newsprint, that small newspapers in his own state of Minnesota are paying as high as $65. He also says that in the years after the World War they paid as high as $300 for newsprint. Senator Schall, however, does not deny that he is interested in the matter mainly from the standpoint of encouraging United States competition in the newsprint manufacturing field, this taking special interest in the newly-found methods of manufacture from cornstalks, which would give the United States farmer a new source of revenue if gone into on any great scale.

In well informed circles here, the senatorial investigation into Canadian newsprint mills is regarded as a publicity stunt by Senator Schall and it is expected to fizzle out.

YEAR'S PROFIT ON TIP TOP ABOUT $4.50

This Compares With Prospectus Figure of $2.85 on Common

BUILDS NEW FACTORY

More Stores Will be Added to Chain When Company Can Make Garments

Tip Top Tailors will show earnings of not less than $4.50 per share on the 120,000 of common stock outstanding for the year ended December 31, 1928. It is also stated by a competent authority that the balance sheet will reveal the company to be in an extremely strong cash position, with current assets in excess of $1,800,000 and current liabilities less than $50,000. The company has a fairly substantial sum loaned on call. The estimate was $2.85 for the year, last April.

The report will be available for distribution in about two weeks.

Common stock was offered the public at $31 per share last April. In recent weeks it has moved up to around $45 the share. Its sponsors are suggesting its purchase at present prices because of the earnings and outlook for the company. There is also $1,500,000 of 7 per cent. cumulative and convertible shares outstanding. The preferred is convertible on the basis of two common shares of one preferred.

To Build New Plant

Tip Top Tailors within the last ten days has leased 3½ acres of land from the Toronto Harbor Commission. The site is at Bathurst and Fleet Streets. A modern factory will be constructed at a cost of about $500,000 on a portion of the site and the rest will be kept for future expansion. The present factory, on Queen Street, is inadequate for the company's business, although it is a modern plant.

It is believed that the Fleet Street site will be valuable from an advertising point of view as well as being suitable for the company's business.

Tip Top Tailors is the largest company in Canada in the business of making one-price men's made-to-measure and ready-to-wear suits and overcoats. The products of the plant, averaging about 4,000 suits or overcoats per week, are distributed through the company's own chain of stores and through agents. Additional stores, it is stated, will be opened as soon as the manufacturing facilities admit of such a course.

PURE GOLD

A financial bulletin service says that Pure Gold Manufacturing Co. is enjoying an increased business and that profits for the year ending June 30 will be somewhat higher than last year. No important increase can be forecast at this stage. But the company's position is sound and the stock is one of the few selling on basis to yield better than 6 per cent. Public interest in the company is small.

DeFOREST CROSLEY

DeForest-Crosley is said to be earning at the rate of $7 per share on the common stock, which is currently selling around 50. It was introduced to the public a few months ago at 25. The radio manufacturing business is reported to be booming and this company is said to be getting its share.

Waterloo Manufact'g May Produce Combine

Rights which are being offered to shareholders of Waterloo Manufacturing Co. are believed to give the company capital with which to manufacture a type of agricultural implement which it has developed recently. This is reported to be a combine thresher but confirmation is lacking.

Waterloo Manufacturing Co. became of public investment interest a few months ago after James Playfair and associates had bought the old company. The stock which was issued at $17 per share recently has been selling at $37. New stock is offered shareholders at $25 in the proportion of one to four so that rights are worth in excess of $4. Rights expire March 15 and the new stock ranks for dividends from February 1. The rate is $1.

Profits have been highly gratifying in the past season, it is reported, and the outlook for 1929 is good for this company as well as others in the agricultural implement industry. The company's principal implement is a threshing machine which is well regarded by grain growers throughout Canada.

It is understood that James Playfair has recently disposed of the bulk of his interest in this company.

Dominion Textiles to Expand New Mill

From Our Own Correspondent

MONTREAL. — Dominion Textiles will use the vacant plant space in the Canadian Connecticut Cotton Mills at Sherbrooke for the production of a new class of yarn which has never been spun in Canada before. What this new development will be has not been divulged, but the payroll of the Sherbrooke plant will be doubled in the next year or two, and the plant will be filled to capacity. At the present time only 15 per cent. of the tire fabric market is available to the company. Steps will be taken to secure some of the business which is now going to foreign companies or to Canadian subsidiaries of American concerns. Dominion Textiles new acquisition should prove a revenue producer in the course of the next few years.

FREE BOTTLES LOWER PROFIT OF CITY DAIRY

But Profit Per Share May be Slightly Over Previous Year

1929 LOOKS BETTER

Annual report of City Dairy, Toronto, which is likely to be available within a few days, will show earnings at a new record. But the advance over 1927 will be moderate. For 1927, the company earned $2.97 on the shares of no-par value. For 1928, the profit will be shown at slightly above $3, it is understood.

Last year was a difficult one in the dairy business and also for Dri-Milk Co., a wholly owned subsidiary of City Dairy. Competitive conditions were no less keen in the Toronto area. Profits on the ice-cream trade were lower. The volume was greater but the price to dealers and consumers remained the same while cost of ingredients was higher. The advance in the price of milk by the quart, which came September 1, only partially offset decreases in profits in previous months.

Milk Bottles Free

Another dairy operating in Toronto about three months ago advised grocers and others selling milk over the counter that thereafter milk bottles would be supplied free. For a number of years, the grocers had been charged five cents per bottle and this charge was passed on to the customer. Bottles returned were good for five cents cash.

This arrangement was satisfactory to the dealer so long as his competitor adhered to the same rule. But when a few grocers began selling the milk and handing out the bottles without a deposit, the other dairies had to agree to the same arrangement.

It has proved a costly procedure for City Dairy especially, as the largest distributor of milk at wholesale. The number of bottles not returned by the grocer or his customer rapidly reached an enormous figure and the cost, it is reported, made a considerable dent in the current profits of that department of City Dairy's business.

No Basis for New Rumors

It is believed that the dairy business in Toronto shortly will go back to the old arrangement, whereby the customer is minus five cents until he returns the empty bottle.

Plans for 1929 which were matured some months ago lead the management to believe that this year will show a marked improvement over last year. These plans involve no change in City Dairy management or policy and are not dependent on acquisition of any other company, it is stated. There are now no negotiations in process whereby either City Dairy control will be changed or whereby City Dairy will acquire any of its competitors.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Jan. 23	111.3	102.9
Week of Jan. 16	107.9	102.1
Month of January, 1928	95.6	81.6
8 Bank Stocks		
Week of Jan. 23	320	315
Week of Jan. 16	322	314
Month of January, 1928	298	287
10 Public Utilities		
Week of Jan. 23	120	115
Week of Jan. 16	118	115
Month of January, 1928	111	104

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	3	4	1	8
Paper	9	6	8	23
Steel	18	15	16	49
Foodstuffs	21	13	24	58
Utilities	12	5	18	35
Tractions	4	2	8	14
Textiles	6	5	12	23
Industrials	48	30	31	109
Total	121	80	118	319

INTER. PETE NOT TO ADD TO OUTPUT

No Increase, At Present at Least, to Colombian Pipeline

MAY AWAIT DEMAND

Capacity Could be Increased to 75,000 Barrels Daily Quickly at Small Cost

The Financial Post learns from two authoritative sources that at present there are no plans for increasing the capacity of the pipeline which brings crude oil from the wells owned by International Petroleum in Colombia to the port of Cartagena.

But Andian National Corp., which owns the pipeline, could increase its capacity by 10,000 or 20,000 barrels per day without undue expense or delay if International Petroleum decided that it wished to get its oil out more rapidly. The pipeline at present is bringing out 55,000 barrels per day, or 10 per cent. over the rated capacity. The pressure on the line is 560 pounds to the square inch. The line is tested to 750 pounds, but it is not intended to lower the margin of safety by increasing the pressure.

To increase the capactiy beyond 75,000 barrels per day would involve expensive and time-consuming duplication of much plant and equipment.

Some Wells Capped

Output of 55,000 barrels per day means an annual output of slightly more than 20,000,000 barrels per year. This is the entire production in Colombia except for the comparatively small amount of crude which is refined by Tropical Oil Co. in the interior of Colombia for local consumption. Drilling is continuing at a rapid rate and certain wells are capped. All producing wells are flowing naturally and efforts are being made to conserve the gas pressure in order to avert pumping. Conservation of the gas pressure is feasible because one company controls the entire area and there is no incentive to force production.

Enlargement of the pipeline has been the subject of recent rumor. These are now set at rest. It is not thought that plans for increasing the shipments from Colombia are likely until such time as the world-market for oil improves materially.

Andian Sells Near 40

Andian National Corp. is not a Standard Oil enterprise, to all appearances. Capt. J. W. Flanagan is president and Sir Herbert Holt is chairman of the board. The head office of the company is Woodstock, Ont., and the general offices are in the Metropolitan building, Toronto. No Standard Oil official is on the board.

Stock in Andian National Corp. is rather closely held. There are 2,125,000 shares outstanding. They are not listed on any exchange but are traded on the over-the-counter market in New York. The current price is 40 to 42. The funded debt of the company consists of 6 per cent. first mortgage bonds which are a lien on all assets. The sinking fund of $500,000 annually became operative March 1, 1927. The bonds were issued in 1925 and are due in 1940.

Andian National has a 50-year concession in Colombia from 1925.

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British Election May See Liberals in Key Position

Will Not Be Numerous But Are Likely to Hold Balance of Power — Conservatives Will Make Stand on Record of Achievements

LABOR PARTY SPLIT BY SOCIALIST EXTREMIST

By JOHN A. STEVENSON.
Canadian Correspondent, The Times, London

The stage is now being set in Britain for one of the most interesting political battles in the country's history. Before the present year ends the Conservative Ministry of Mr. Baldwin must submit itself to the verdict of the electorate and the task of securing a fresh mandate will not be easy.

The year 1928 was full of disappointments for the British people; they had been hoping that it would at last bring daylight for their varied troubles but instead there has been no real recovery in the trade position, unemployment has increased and the revelations of the appalling distress in the mining districts have stirred the feelings of the whole nation and evoked a remarkable burst of public generosity to succor the distressed. But just as people who are enjoying prosperity are usually indisposed to support radical measures and parties, so a country, which is experiencing serious adversity is rarely in a conservative mood and hence comes the fundamental difficulty of the Conservative party in the forthcoming contest. The Premier, Stanley Baldwin, is still one of the most popular men in Britain and in his broad outlook and liberal sympathies he grows more and more like another great Conservative, Sir Robert Peel. The feeling, however, deepens that his ministry is deficient both in administrative ability and driving force and that it has so far failed to make any serious progress towards the restoration of economic prosperity which it was expected to achieve. It has recently lost one of its ablest members, Lord Birkenhead, who has betaken himself to business and some other ministers have announced their impending retirement.

Standing on its Record

It will base its appeal for a fresh mandate upon its record during the last four years and its supporters will claim that, while it may not have wrought salvation for the country, it has dealt as skillfully and effectively as any other ministry could have done with a medley of baffling problems. In foreign affairs it can point to the Locarno and Kellogg treaties as promising better insurance against the renewal of international strife. In the domestic field it can show a certain abatement of the burden of national taxation, an extension of social benefits such as pensions for widows and the comprehensive plan for the reorganization of electric power sources which is now being carried out under Sir Andrew Rae Duncan. But probably the main talking point of the Conservatives during the campaign will be the far-reaching adventure in reform which is known as the "Derating Bill."

British industries during these lean years have been groaning under the burden of local municipal taxes or "rates" as they are called and the Baldwin Government proposes to relieve many of these industries and also agriculture by making the national exchequer, which is finding most of the funds by heavier taxes on gasoline, assume part of their burden. The theory underlying the plan is that such relief will reduce their overhead costs and give them a better chance to compete in foreign markets. Moreover, the administrative problems which will arise have induced the government to couple with the scheme a plan for the wholesale reorganization of the municipal system of Britain and the main bill for this purpose is now in process of passing through parliament.

What Will the Harvest Be?

The Conservatives have to a certain extent staked their fortunes upon these reforms but shrewd political experts are now dubious whether they will yield any satisfactory harvest of votes. For one thing they will disturb a variety of vested interests, for instance, jobholders of municipal bodies, and every one of these who is adversely affected, will be an enemy of the government. Then while some communities will gain by the relief in rates, others will actually lose by the general readjustment and as the merchants and householders get no relief at all, it will be easy to stir up prejudice among them by pointing to prosperous corporations who will secure what is virtually a bonus from the government. So the Laborites and Liberals have fastened upon the "Derating" bill and although Neville Chamberlain who is in charge of it has shown a most conciliatory spirit and accepted numerous amendments designed to improve it, he is having to fight it through inch by inch. Many of the reforms embodies in the measure are long overdue and command general approval, but the trouble is that their benefits will not be realized for some years and the grievances created are immediate.

Party Turns Protectionist

The Conservatives also obviously intend to make considerable play with the fiscal issue during the campaign. Probably two-thirds of the party are now convinced protectionists who are not content with the limited dose of tariffs already secured through the Safeguarding of Industries Act. Colonel Amery, the Secretary for the Dominions and Colonies, is the leader of this protectionist wing and he has more than once declared, subject to the caveat that he was speaking for himself and not for the Cabinet, that he believes the imposition of general tariff to be the only road to economic salvation for Britain. Moreover, at the recent national conference of the party, the protectionists were strong enough to secure the passage of a resolution favoring a wide extension of the safeguarding principle.

Help for Protectionists

Premier Baldwin has signified his sympathy with this policy but he knows as a practical politician that once a fiscal system has been in existence 80 years, it has established a hugh mass of vested interests and that influential elements of the Conservative party, particularly the bankers and shipowners, would desert it rather than support a general tariff. However, within the last month the Conservative protectionists have been greatly heartened by an unexpected reinforcement for their cause. For the past two years a group of Yorkshire woollen manufacturers, producing the finer classes of woollen goods, have been agitating for the application of the Safeguarding Act to their industry in order to halt the inflow of competitive goods from the continent of Europe which was hurting their business. But they made little headway as other woollen manuacturers opposed their demands and their own employees showed no enthusiasm for them. But unemployment has been increasing in Yorkshire as the result of diminished business and last month a group of representatives of woollen trades met and passed by a substantial majority a resolution in favor of safeguarding for their particular branches of the industry. Encouraged by this vote the protectionist woollen manufacturers are renewing their efforts to secure a tariff against continental imports and Conservative members for Yorkshire seats which they had counted lost, are hoping to hold them. On the other hand, Philip Snowden, who sits for a Yorkshire division, and other Labor leaders of the true Cobdenite faith are mightily distressed at what they regard as fiscal backsliding among a section of their followers and are doing their best to bring the sinners back into line.

Two Views in Woollen Industry

All the evidence shows that the woollen industry is seriously split on the subject of protection; people who are interested in the manufacture of the finer woollen goods want tariffs but both employers and employees, whose business concerns the heavier woollens, like blankets, prefer a continuance of free trade. The free traders headed by T. Cooke Taylor, a prominent figure in the industry and a former Liberal M.P., are stressing the argument that, if the British woollen trade insists upon protection for itself it cannot with any consistency object to the demands of the woollen manufacturers of the Dominion for more protection. It will be recalled that, when our manufacturers not long ago submitted a case to the Tariff Advisory Board for higher tariffs, the Yorkshire woollen trade sent out two of its ablest representatives to oppose it and their arguments carried considerable weight. So Mr. Taylor and his friends are predicting that any improvement of the domestic market which a tariff could bring, might be more than counterbalanced by the curtailment of a valuable overseas market through higher Dominion tariffs.

Might Even Split Labor

But the fact remains that a large body of the Labor party is deeply tinged with protectionist doctrines and the emergence of the fiscal issue in acute form would split it as badly as it would the Conservatives and might produce a completely new political alignment. One difficulty which confronts the Conservatives on this score is the attitude of the farmers, who have been perhaps their steadiest supporters. British farming is in a very depressed condition and most farmers believe it needs protection worse than any other industry. But as Lord Bledisloe, a practical agriculturist who was under-secretary for Agriculture in the Baldwin Cabinet and believes in protection, points out agricultural protection of necessity means taxes on food and the 90 per cent. of the British people who follow industrial occupations will not countenance any fiscal changes which will raise their cost of living in these hard times for the benefit of the ten per cent. who live by agriculture. So he dismisses agricultural protection as an impossible dream until all parties can be induced to agree about it in the national interest. Walter Guinness, the Minister of Agriculture, has said the same thing. But the farmers also know that any generous dose of protection for urban industries is bound to raise their costs of production and so various agrarian bodies have recently served notice on the Baldwin Government that there must be protection all round or none at all. Mr. Baldwin dare not imperil his rural support and therefore he cannot go very far with a tariff policy. But nowadays the Liberals are the only party which presents a united front in defence of the free trade system and they believe that the fiscal issue if it plays a dominant part in the election, will help their fortunes by bringing to their side all the free trade interests in the country.

"Safe and Sane" Socialists

The Labor party will undoubtedly be the real opponent of the Baldwin Government. It is not exactly a harmonious body as its left wing, led by able people like James Maxton, are very disdainful of Ramsay MacDonald's leadership and classify him as a conservative who has no serious intentions of putting the socialist program into force. MacDonald and his lieutenants on their part have been sedulously striving to implant the impression in the popular mind that, while they may be socialists, they are safe, sane people who will never undertake any rash experiments calculated to imperil the national interests. They are out to get the votes of people who may not believe in socialism but are sufficiently disgusted with the Baldwin Government to believe that any alternative would be an improvement upon it.

The Labor party is not rich in campaign funds and has very little press support, but it finds compensation for the absence of these two assets in the much greater volume of volunteer enthusiasm and work which it can command. Moreover, a gospel which promises a sort of Utopia is bound to make converts in districts where thousands of people do not know where the next meal is to come from.

Find Plenty of Wrongs

The Laborites make a comprehensive arraignment of the Baldwin Government over both their domestic and foreign policy; they contend that they have muddled and dallied with the problem of the coal industry until it has been brought to the verge of ruin, that they have been partial in every direction to capitalist interests, that under their stewardship the economic condition of the mass of the people has been worsened, that by such foolish adventures as the Anglo-French naval agreement they have generated friction with the United States and made Germany suspicious, and that their lukewarmness towards the League of Nations has given a setback to the cause of international peace.

The Labor leaders will be strong on criticism but they will be less definite about their constructive proposals. The party is still committed officially to public ownership of the railways and mines and, if it attains power, it will make some effort to give effect to these planks. The railways are suffering greatly from the competition of automobile traffic and there are intelligent people, not socialists, who believe that nationalization is inevitable. The mineowners are at last beginning to wake up to the necessity of consolidation schemes on a large scale and the fear of nationlization at the hands of a Labor government is spurring them. Labor has also a scheme for the national control of credit but it will encounter the fierce opposition of the financial and commercial interests.

Provide Work for All

But the problem of unemployment overshadows all others and what some socialist papers like the New Statesman are advocating as the party policy is that every man, whose unemployment has lasted more than a certain time, should be given the opportunity of enrolling for a special form of national emergency service under the state. They would then be set to work upon a variety of enterprises, slum clearance, road development, the speeding-up of electrification, railway re-equipment, land drainage and reafforestation. The argument is that it is better to provide work than doles and, even if the plan entailed large new borrowings by the state, it would be cheaper in the long run because it would end the demoralising idleness which to-day is the lot of so many British workers. Such a scheme will be strenuously opposed by private employers, particularly the big contracting firms and by some trades unions, fearful that their standards and conditions of work might be imperilled, would be hostile but a Labor Ministry will probably sponsor some such policy and try to conciliate the commercial interests by pointing out that so much new work would mean a flow of orders for materials and implements to industries which are now depressed. Labor is also toying with the idea of state-aided emigration on a huge scale and some of its leaders are ready to back a vigorous policy of Imperial economic co-operation.

May Sit in Key Position

The Liberals find themselves in a curious position. In numbers they are much the weakest of the three parties and are likely to remain so, for the result of recent by-elections offers no evidence that the great revival of Liberalism which Sir Herbert Samuel, who assumed the duties of party organizer two years ago, was to engineer has materialized. The Liberal party still contains some of the best political brains in the country and will put forward an array of attractive candidates but it has lost the confidence of the working classes who used to provide its main voting strength, and it can no longer seriously compete with Labor in industrial constituencies. Yet despite its numerical weakness it may find itself able after the next election to determine the character of the next ministry and mould its policies. J. L. Garvin, the frank and fair-minded editor of the Observer, in a recent survey of the situation, declared that the shrewdest political pundits now expected the election to yield the Conservatives and Laborites about 250 seats each, which would leave about 65 for the Liberals and nondescripts like the brilliant but erratic Austin Hopkinson. With such a result the 60 odd Liberals would hold the balance of power and no ministry could be formed without their co-operation, active or passive. Having made the misdeeds of the Baldwin government the chief theme of their campaign they would almost be bound to turn it out and Lloyd George would take a malicious delight in such an enterprise.

Would Have to Drop Protection

Several developments might then be possible. The Liberals might form another Coalition with the Conservatives but the abandonment of protectionism would be an indispensable condition and Col. Amery and his friends would have to be left out of any such deal. They might decide to allow the Labor party to assume office under certain conditions as in 1923 but Ramsay Macdonald has repeatedly declared that he will never allow himself to be placed again in a position of subservience to the Liberal party. So the most probable outcome is a Labor-Liberal Ministry to which Labor would contribute the larger quota, in the shape of leaders like MacDonald, Thomas, Henderson, Clynes, Ponsonby and Buxton. But they would find that Maxton, Kirkwood and other extremists had abjured them for ever and hived off into a position of critical independence which would eventually lead them to the Communist camp. With the loss of the left wing Laborites such a Labor-Liberal Ministry might find considerable difficulty in keeping a working majority in the Commons but, if it proved itself efficient and energetic it might gradually accumulate popular strength and stay in power for several years.

Rothermere Out For Blood

Political prophecy is always a dangerous art and something might occur between the present time and the date of the election to restore the now waning fortunes of the Baldwin government. What has shattered Conservative complacency about the outcome more than anything else is the recent declaration of Lord Rothermere, the master of the Daily Mail and a whole string of papers, that a point has now been reached when the extinction of the Baldwin Ministry is a national interest. He proves by chapter and verse that for some reason or other both France and Germany made a much better recovery from the upheaval of the war than Britain, and he attributes the chief responsibility for this unfortunate state of affairs to the incapacity and futility of the present government. Lord Rothermere has some liberal views on international politics but in domestic matters is a firm conservative and, if he turns, as he evidently proposes to do, his newspaper batteries upon the Conservative party it is likely to go ill with them. He holds that Labor is not likely to get a clear majority and have a free hand but, even if this danger were real, he believes that the bogey of a Socialist Government has been exaggerated.

Beaverbrook May Prove Tory

What Lord Rothermere and his papers will probably strive for will be to ensure the election of as many Liberals as possible. On the other hand his rival, our own Lord Beaverbrook, who has for years been a bitter critic of Mr. Baldwin, seems now to be making approaches for a reconciliation with his titular leader and the adhesion of his group of papers would be invaluable in countering the assaults of the Rothermere string. At present a sort of preliminary canter for the general election is at present taking place through a series of five by-elections in different parts of the country. One, Londonderry in Ulster is a safe Conservative seat and the Bishop Auckland division of Durham is equally secure for Labor. But the Conservatives will have a stiff fight to hold Midlothian and North Battersea, and it would be a surprise if they could win the Wansbeck division of Northumberland from Labor. But while these elections will furnish useful evidence of the drift of public opinion their reliability as a decisive test is vitiated by the fact that the old registers will be in force and the so-called "flapper" vote of some five million young women between the ages of 21 and 30 will not be exercised till the general election.

More Bewilderment Than Interest

The London Nation (Liberal) in a recent issue declares that the result of the impending election is highly uncertain and offers these observations: "As yet however, it cannot be said that any high degree of public interest has been aroused. And though this apathy will probably disappear as polling day approaches, confusion and bewilderment seem likely to be the keynotes of the struggle."

But, whatever the outcome of the election may be, there are some auspicious signs on the British economic horizon. Both employers and workers are more and more becoming convinced of the benefits of mass production and various mergers, which will make this possible, have either been completed or are under way. Of these mergers the most important has been the fusion of the great steel firms of Vickers, Cammell Laird & Co., and Armstrong-Whitworth and its architects are busy with schemes for what is called the rationalisation of the industry. A fusion movement among the cotton spinners of Lancashire, who use American cotton, is coming to fruition and there have been some useful consolidations in the coal industry although not enough.

Labor and Capital Work Better

The most important gain during the past year has been the development of a better spirit between capital and Labor. Both sides realize that they are in the same boat and what was known as the Melchett-Turner conference (from its chief sponsors) found the representatives of capital and Labor, who attended it, in complete harmony about the necessity for cordial co-operation and an avoidance of strife. It drew up a plan for the formation of a National Industrial Council and the proposal now awaits the endorsation of the British Federation of Industries. The extremists on both sides dislike the idea but it has enlisted support in many directions and could not fail to do some good.

New T. & G. Manager

C. S. HAMILTON,
whose appointment as manager, at Toronto, of the Trusts & Guarantee Company, has just been announced. Mr. Hamilton has been associated with the company for the past twenty-three years.

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VICKERS PREFERRED SELLS OUT OF LINE WITH OTHER STOCKS

(Continued from page 1)

of the company were first offered the public toward the close of 1927, no one anticipated any real activity in its ship building department. The company's securities were offered solely on the basis of profits from its structural steel and industrial engineering departments coupled with the annual $105,000 subsidy which it receives for maintaining its drydock. Incidentally, earnings from this source are satisfactory. The structural steel department is doing an excellent business and the company's industrial engineering department has large orders on hand.

Aircraft Expansion

Since the company first passed into the hands of Canadians, there has been a very substantial expansion in its aircraft department and ultimately this department should provide very substantial and growing revenues.

Last year, the initial balance sheet of the present company showed the preferred dividends earned more than twice over and this year earnings will be larger. Moreover, the company during the fiscal year, which ends February 28 next, received a favorable court decision on its litigation with the city of Maisonneuve over taxes amounting to $300,000. The last annual balance sheet shows a reserve of this amount to meet this contingent liability. At the end of the current year this $300,000 reserve will be placed either in surplus or other reserves.

Despite the satisfactory situation surrounding the company, its preferred shares sell on almost the same yield basis as the preferred shares of Viau Biscuit Corporation on which preferred dividends were only earned last year by an exceedingly narrow margin and which operates in a highly competitive industrial field experiencing at present very thin times.

Sins of the Fathers

With Canadian Vickers, the sins of the fathers have probably been visited on the children. The unsuccessful results obtained by the predecessor British company have no doubt had a very definite effect on the demand for the preferred of the present company, which acquired the undertaking on a very satisfactory price basis.

The company only has outstanding $2,750,000 in bonds and $1,700,000 in 7 per cent. cumulative preferred against fixed assets having a depreciated value of $5,992,000. Moreover, it occupies a strong working capital position and reserve and surplus accounts this year should touch the $1,500,000 mark.

The following list of preferred stocks showing interest rates, approximate price, and approximate yield shows Vickers comparative position. Of course, in any consideration of other preferred stocks the investment merits of each must be considered individually. Obviously, the newsprint preferred stocks sell on a high yield basis as the industry is in the doldrums. But they return a better yield than Canadian Vickers preferred. The sound public utility preferreds obviously sell on a low yield basis. A list of representative preferred stock follows:

Preferred Stock	Rate	Approx. Price	Approx. Yield
Abitibi	6%	86	6.97
Belgo	7	100	7
Pt. Alfred	7	98	7.14
Price	6½	103	6.25
H. Smith	6	92	6.52
Can. Gen. Elect.	7	59	5.93
Can. Loco.	7	90	7.60
Ham. Bridge	6½	90	7.14
Alta. Pacific	7	100	7
Ham. Dairies	7	100	6.93
Viau Biscuit	7	88	7.95
Jamaica P. S.	7	111	6.30
Ottawa Power	6½	101	6.43
Power Corp.	6	102	5.88
Can. Steamers	6	93	6.38
Ham. Cottons	$2	30	6.45
Can. Cement	6½	99	6.53
J. S. Mitchell	7	107	6.33
Wm. Rogers	7	100	7
Belding-C.	7	102	6.82
Can. Vickers	7	89½	7.78

Elected to Curb

L. J. BEAUCHEMIN,
who was recently elected a member of the Montreal Curb Market. Mr. Beauchemin will represent the newly organized firm of Noble, Veligny & Company on the Curb.

NATION'S BUSINESS

(Continued from page 1)

Sir Henry Thornton and E. W. Beatty, heads of the two great railway lines, clearly shows that the department of immigration has been both unfair and short-sighted. The facts are not exactly in accordance with the impressions given by the department.

The railway chairmen make it clear that immigration from the non-preferred countries has been less than 25 per cent. of the total movement; that 99 per cent. of the families brought over have been successfully colonized; that the immigration department has not lived up to its agreement and has twice cancelled the agreement without due consideration or notice; that in the development of Canada's natural resources there are many jobs to be done for which Britishers have shown but little aptitude; that the spring and summer demand in the west for labor cannot be met without continental immigration now.

These are all important points. The immigration authorities have again lived up to their reputation for autocratic and arbitrary control.

RECORD EARNINGS FOR CROWN TRUST FOR FISCAL YEAR

Gross Up 50 Per Cent. and Net Up by Almost 100 Per Cent.

From Our Own Correspondent

MONTREAL.—During the fiscal year ending December 31, last, the Crown Trust Company experienced the best year in its history with gross profits showing an increase of over 50 per cent. and an increase of close to 100 per cent. in the net profits.

The following comparison of income account figures over the last three years shows the progress which was made in 1928:

Distribution of Earnings

	1928	1927
Gross profits	$258,920	$168,084
Expenses, etc.	148,528	101,129
	110,392	66,955
Prov. for taxes	......	5,596
Writ. off premises	7,752	5,308
	102,640	56,051
Prem. on stock	......	100,000
	102,640	156,051
Dividends	70,000	39,481
Reserve	......	100,000
Balance	32,640	16,570
Prev. balance	33,835	17,265
P. & L. balance	66,475	33,835

Earnings Record

Year	Paid-up Capital	Profits	†Earned p.c.	rate
1923	500,000	52,588	10.5	6
1924	500,000	55,246	11.0	6
1925	500,000	56,181	11.2	6
1926	500,000	*55,693	11.1	6
1927	957,185	*66,955	11.0	6¾
1928	1,000,000	*110,392	11.0	7

*Before duducting amount written off premises, and provision for taxes.
†On average capital.

The company's balance sheet reflects clearly the expansion in its activities which took place during the year. Total assets now stand at $22,454,000 as against $14,599,000 a year ago. The bonds held in trust by the company and the estates under administration now total $18,341,000 as against only $11,337,700 a year ago. This increase largely accounts for the larger assets of the company. With the exception of cash account which is increased from $66,000 to $116,000, the other assets of the company stand at much the same levels as a year ago.

President's Remarks

In his remarks to the shareholders, William I. Gear, the president, said that in order to provide for the company's expansion in the future application had been made to the provincial government for authority to increase the authorized capital stock of the company from $1,000,000 to $5,000,000. This stock will be issued in such an amount, and at such time as the shareholders may decide.

In his remarks to the shareholders, Irving P. Rexford, the general manager, said that each department of the company's activities increased its business materially during the year and that the prospect for the immediate future appeared to be particularly bright. He said also that the company's mortgage loans are in a satisfactory condition and that the Crown Trust holds no properties taken under foreclosure proceedings.

Paying First Dividend

Announcement has been made of the payment of the first quarterly dividend on the 6 per cent. cumulative preferred stock of the Securities Holding Corporation. Payment will be made February 1st.

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EXCELLENT REPORT IN FIRST HALF-YEAR CANADA VINEGARS

Earnings of Six Months Equal Those of Previous Year

Canada Vinegars Limited, financed last year to take over the business of the old company of similar name and now operating 12 plants across Canada, has issued a consolidated balance sheet for the 6 months ending November 30, 1928, which shows earnings per share of $2.11.

Other features of the report are the elimination of a bank debt which totalled $200,000, the raising of the ratio of assets to liabilities to 3.22 and earnings in the six months in question equalling those of the whole of the previous year.

After all deductions had been taken care of, the profits of the company stand at $194,528.04. Included among the deductions was an amount of $73,600 being a 40 cent per share dividend paid for quarters ended August 31 and November 30. The company has an authorized capital of 100,000 no-par value shares, of which 92,000 have been issued.

Current assets total $382,355 with liabilities listed at $118,551. There are no bonds and no preferred stock.

Years Ending Nov. 30

	*1928	†1927
Earnings	$256,991	$246,490
Depreciation	42,937	39,843
Taxes	17,846	16,371
Subsid. share	1,679	.....
Net profit	$194,529	$190,275
Dividends	73,600	.....
Bal. forward	$120,929	.....

* Six months, new company.
† Old company.

CAPITAL TRUST REPORTS GROWTH

Two Main Branches of Business Show Increase Over 1927

Capital Trust Corp., Ottawa, which now operates branches in both Toronto and Montreal, had net profits of $51,854 in the year ended December 31, 1928, compared with $48,667 the year previously. This is 7.7 per cent. in both years, there having been an increase in the paid-up capital to $668,706. The dividend rate is 5 per cent. as in 1927.

The company appropriated $20,000 out of profit and loss for a contingent reserve. The general reserve remains at $80,000.

There is a notable increase in the investment receipts and savings deposits, these now totaling $4,134,649, compared with $3,388,190 a year ago. The estate, trusts and agency account also grows rapidly, the total now being $7,001,719, compared with $6,656,292 a year ago.

Following is the record of the company since 1918:

Year	Rate of Paid-up Capital	Earnings Profits	Earned p.c.	Div.
1918	$404,065	$19,354	4.8	4
1919	488,241	26,375	5.4	4
1920	546,063	27,256	5.6	4
1921	564,404	20,209	3.8	4
1922	580,578	41,344	7.1	.
1923	590,896	42,001	7.1	.
1924	596,569	42,528	7.1	4
1925	603,648	37,284	6.1	4
1926	614,921	39,051	6.3	4
1927	627,716	48,667	7.7	5
1928	668,706	51,854	7.7	5

SECURITY LOAN PROFITS ARE HIGHER

Investments Grow as Company Sells More Debentures to Public

As in every year since 1920, Security Loan & Savings Co. of St. Catharines, reports an increase in earnings. The $58,183 in profits for 1928 is 10.7 per cent on the capital of $539,800 and compares with $56,601, or 10.5 per cent. in the previous year. The dividend rate of 7 per cent. is continued and $20,000 again has been added to the reserve, bringing that fund to $295,000.

Debentures outstanding have grown from $527,744 to $719,350. Deposits stand at $385,357, compared with $391,065 a year ago. Mortgages outstanding total $1,621,099, compared with $1,473,386 a year ago. Government bonds and other investments are up to $224,468, compared with $114,060 a year ago. Total assets have grown in the year from $1,742,293 to $1,967,861.

Following is the recent record of the company:

Year	Rate of Paid-up Capital	Earnings Profits	Earned p.c.	Div.
1915	$500,000	$41,278	9.1	6
1916	521,000	46,623	9.2	6
1917	524,200	44,378	8.5	6
1918	524,200	47,022	9.0	6
1919	532,300	47,357	9.1	6
1920	532,300	43,592	8.1	6
1921	532,300	43,707	8.2	6½
1922	534,700	48,993	9.2	7
1923	536,100	49,575	9.2	7
1924	538,200	50,942	9.4	7
1925	539,800	53,319	9.8	7
1926	539,800	54,732	10.2	7
1928	539,800	58,183	10.7	7

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Suggestions for the Beginner in Investment Whose Capital is Limited

Suggestion No. 8 — Dominion Bridge

By J. G. JOHNSTON

The group in the smoking compartment were bemoaning slow business (that was a few years ago). . . .

"Humph!" interposed a well-dressed man who up to that time had taken no part in the conversation. "I'm lucky if I make one sale a year."

"What's your line?" inquired another.

"Suspension bridges," was the reply.

This old story is one which careful investors should keep in mind when considering investment in a company such as Dominion Bridge. When the company gets a big contract, its profits are relatively high because its plants are kept busy and there is a greater amount of business to help absorb overhead expenses. At other times its profits are much lower.

No Dividend Lapses

Yet Dominion Bridge is probably not an unsuitable holding for the small investor who has a background of other stocks in companies with more stabilized earning power. Moreover, while Dominion Bridge earnings have fluctuated greatly in the last dozen years, the company's financial policy is such that it is able to pay dividends in bad years. For instance, in 1922 when earnings dropped to $54,661 after writing off depreciation, the company paid $260,000 in dividends without material impairment of its cash position. In 1924, it paid the same amount in dividends, although it earned only $3,000 in excess of those payments. Likewise, in 1925, the dividends were $260,000, although there was an actual deficit of $53,136 after depreciation. Going back as far as 1917, one finds that dividends were paid every year.

Canadian prosperity has waxed and waned and waxed again without cessation of dividends on the part of Dominion Bridge.

It is fairly safe to make a prediction as to the future on the record of the past. Hence Dominion Bridge appeals as a reasonably safe industrial investment for any person who diversifies his investments over a number of sound companies in essential or stabilized industries.

Has Big Contract

Building is an essential industry, although it cannot be considered a stabilized industry. National depression means a depression in the construction industry. National prosperity means activity in building. It is generally agreed that Canadian prosperity, at present unprecedented, will continue a number of years longer, except in the event of a world-disaster; it would seem that the outlook for Dominion Bridge is promising.

The immediate future of Dominion Bridge is virtually assured. The company has the contract for the South Shore bridge over the St. Lawrence River at Montreal and this will keep its main plant and erection department busy for two years.

Dominion Bridge is not only a bridge company. It was the steel contractor for the Royal York hotel, Toronto, a job which ran into millions, and its steel-construction business throughout the country has been growing rapidly in its own plants and in the plants of its subsidiaries, the most important of which are Dominion Engineering and Charles Walmsley, Ltd.

Develops Branch Plants

G. H. Duggan, the president, told the shareholders at the annual meeting recently, that the 1928 output was 43 per cent. ahead of the 1926 output and 35 per cent. ahead of the 1927 output. The 1928 sales in dollars were 66 per cent. in excess of the sales for the previous year. Output for 1928 was 2.57 times greater than the average in the four lean years, 1921-24, and sales were 2.73 times greater.

The company in the past decade rapidly has been developing its branch plants in order to take advantage of local conditions and to minimize transportation expenses. In 1928, branch plants produced 48 per cent. of the output, which is 7¼ times the output of branch plants in 1911. Branch plants are established in a number of cities between Halifax and Calgary and further additions may be expected from time to time.

The consistent dividend record referred to in the foregoing is the best assurance of continued satisfaction on the part of the shareholders. The substantial surplus which the company has built up in the lean years goes a long way toward stabilizing the return on this investment. Undoubtedly there will be wide fluctuations in earnings as the years roll around, but it is reasonable to assume that the trend of earnings will be upward, as in the past, and that this upward trend will be reflected in the total of dividends which the directors' will feel justified in paying.

The investor who owns his shares outright and who is satisfied with the inherent soundness of the company in which he has his money, need worry but little as to the course of the stock market. In such circumstances a drop in the price of the shares can be only temporary, even though such a drop reflects a drop in earnings, if there is faith that the progress of the country will resume its former pace and that the company will derive its share of the benefits therefrom

For these reasons, the investor with $500 who has already possessed himself of a number of the stocks in companies with a more stabilized earning power reasonably may purchase a few shares of Dominion Bridge at current market prices.

This is the eighth of a series of articles dealing with stocks for the small investor. The previous suggestions, in the order named, were: City Dairy, Shawinigan Water & Power, Steel Co. of Canada, Imperial Oil, Power Corp., Brazilian Traction, Canadian Canners second preferred.

Eastern Dairies Enlarges Its Research Department

From Our Own Correspondent

MONTREAL.—Eastern Dairies has extended the scope of its research laboratories by securing the services of T. S. Gilchrist, F.C.I.C., who will now be associated with Dr. A. R. M. MacLean, director of the research department. His work will now contribute to the operation of all plants of Eastern Dairies, which include the Elmhurst Dairy of Montreal, the Producers Dairy of Ottawa, Acme Dairy of Toronto and Crescent Creamery in Winnipeg. Mr. Gilchrist is a graduate of the Royal College, Glasgow, and has had wide experience in scientific supervision of dairies in addition to an extensive consulting practice.

Steel Car Financing Meets Expenditures

From Our Own Correspondent

MONTREAL.—The new financing of National Steel Car will increase the outstanding common stock from 100,000 shares to 130,000 shares. The sale of 30,000 new shares at $75 will net the company $2,250,000. This figure is virtually identical with the amount required to pay off the $700,000 in bonds and to reimburse the corporation for the $1,500,000 expenditure made on its plant extensions.

Some of these extensions have recently been put into operation and by April next the remainder will be completed. In a letter to shareholders, Robert J. Magor, the president, says that dividend action on the stock will probably be taken this quarter.

LOEW'S BUFFALO HAS OPERATING LOSS

Impairment of Capital After Appropriation for Depreciation

Greater Buffalo Theatres, Inc., formerly Loew's Buffalo Theatres, Inc., the shares of which were widely sold in Ontario in 1921, had a deficit of $64,399 for the year ended December 31, 1928, and there is consequently an impairment of capital to the extent of $7,594.

There are said to be too many large theatres in the downtown district of Buffalo and satisfactory contracts could not be made with any of the booking companies or operators. Originally, the theatre was included in the Loew circuit and apparently did a good business. Dividends on the eight per cent. cumulative preferred ceased on January 1, 1927.

The profit and loss account and balance sheet follow:

Year Ended Dec. 31

	1928 $	1927 $	1926 $
Net income for year	*64,399	*11,675	69,362
Previous surplus	146,503	114,178	136,416
Total surplus	82,105	102,504	205,779
Miscel. adjustments	§2,398	......	......
Organiz. expense	158,300	5,000	5,000
Dividend declared	......	......	136,600
Balance surplus	*78,594	97,504	70,179
Disct. on treas. stk.	71,000	49,000	44,000
P. & L. surplus	*7,594	146,504	114,179

*Deficit.
§ Debtor.

BALANCE SHEET
December 31

	1928	1927
Assets—		
Land, bldgs & equip. x	$1,561,350	$1,599,961
Cash	28,697	3,810
Cash adv. to thea.	......	700
Accts. receivable	......	490
Deferred charges	15,536	20,140
Goodwill, etc.	1,500,000	1,500,000
Organ. fin. & prelim.	......	158,301
Total	$3,105,583	$3,283,401
Liabilities—		
Preferred stock	$1,036,000	$1,136,000
Com. stock (par $10)	1,500,000	1,500,000
Notes payable	170,000	120,000
Accounts payable	10,250	5,474
Accr. int. on mtgs. etc.	5,652	5,573
Rent deposits	12,750	2,750
Mtge. on real estate	367,100	367,100
Conting. liabil.	11,424	......
Surplus	†7,594	146,504
Total	$3,105,583	$3,283,401

x After reserve for depreciation of $280,549.
† Deficit.

CANADIAN INDUSTRIES WILL BUY MALAGASH

Control of N.S. Salt Producer Passes Into Same Hands as Canadian Salt

From Our Own Correspondent

MONTREAL.—The proposal to sell the control of the Malagash Salt Company to the Canadian Industries, Ltd., is of particular interest, for some time ago it was rumored that the Canadian Salt Company looked over the Malagash properties with a view to acquiring them or with a view to consummating some association between the two salt companies. However, the negotiations between the two interests came to naught.

In the meantime, the Canadian Salt Company was purchased by the Canadian Industries. The result of this acquisition is now seen in the proposal of the Malagash Salt Company to issue new stock to be sold to the Canadian Industries which, when the deal is consummated, will place both Malagash and Canadian Salt under the control of the one organization.

The capitalization of the Malagash Salt Company now consists of $500,000 in 6½ per cent., first mortgage bonds and 10,000 common shares of no par value. It is proposed to increase the Malagash company's capital by the issuance of $200,000 in 6½ per cent., preferred stock and 30,500 shares of no par value to rank equally with the present common stock.

Canadian Industries will purchase the additional $200,000 in preferred shares at par and, as a bonus, will receive 30,500 common shares.

If, as and when the deal is ratified by the shareholders, greater strength will be placed behind the Malagash Salt Company's first mortgage bonds, in which investment in the company is largely concentrated, and probably the property will be more largely and more rapidly developed.

The Malagash Salt Company's shareholders meet January 25 to authorize the transaction. The output of the company at present amounts to 150 tons a day. The production from the mines can be largely increased.

The Canadian Industries, Limited, is a subsidiary of the Imperial Chemical Industries, Limited, the largest chemical industrial firm in the Empire. Canadian Industries in turn also controls the Canadian Explosives, Dominion Cartridge Company, Canadian Fabrikoid, Flint Paint and Varnish and some other subsidiaries. It is a well-managed organization occupying a strong financial position. While Canadian Industries shares are closely held, and change hands but infrequently between brokers, they are regarded as a high grade investment.

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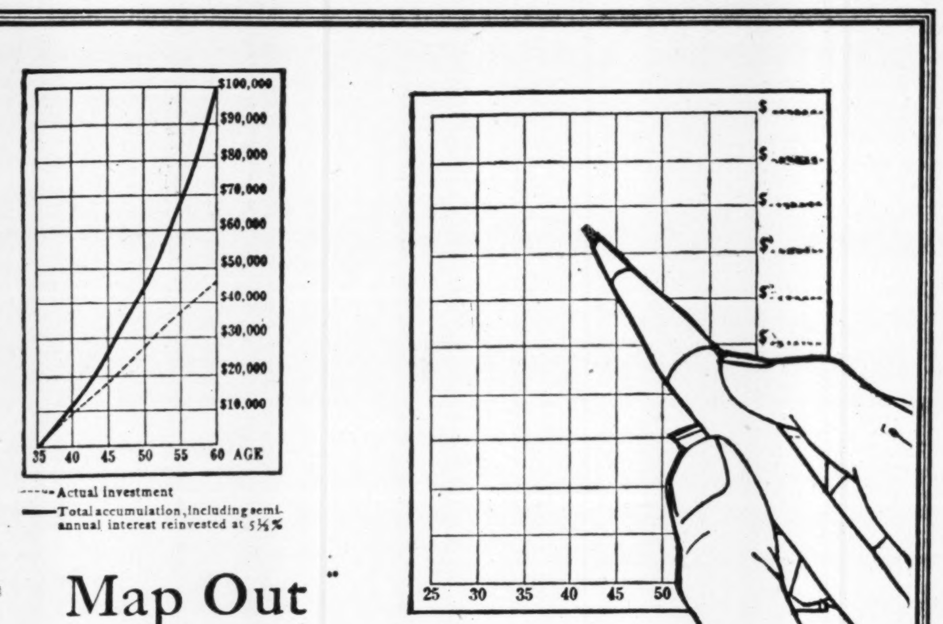

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C.S.L. Voting Trust Has Been Terminated

From Our Own Correspondent

MONTREAL.—The expiration of the voting trust of the Canada Steamship Lines will probably not cause any change in the relationship between the company and its shareholders. Control of the company will probably lie in the hands of those who have controlled its operations for some years. The voting trust consisted of 56,266 shares out of a total of 120,000 common shares outstanding.

The satisfactory results achieved in recent years by those controlling the company's destinies has obviously won the confidence of the shareholders including those who up to the present have only voted through the trustee holding the 56,266 voting trust shares. In future, holders of voting trust certificates will be able to vote individually at meetings instead of, as formerly, as a group.

The voting trust expired on January 15. It came into being August 3, 1916. Holders of voting trust certificates have been advised to turn in their certificates for which they will receive in exchange voting shares of the company.

Conservative Investments

Our January list of selected investments contains several Bonds and Preferred Stocks, which are most attractive from the point of view of security, marketability and yield.

A copy of this list, together with a letter on the business and market outlook for 1929, gladly forwarded on request.

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CHAS. GREENSHIELDS, K.C.
LEO GEORGE
W. T. GWYN
Lieut. Col. CLEARY, D.S.O.
J. G. TURGEON

Consolidated Balance Sheet

As at 30th November, 1928

ASSETS.		
CURRENT		
Accounts and Bills Receivable	$192,191.38	
Inventory of Raw Materials, Spirits, Containers, etc.	629,111.67	
Stock Subscriptions—since paid	25,000.00	
Total Current Assets		$ 846,303.05
FIXED		
Real Estate and Buildings at Appraised Values, Machinery and Equipment, etc., at Cost—at Lachine, Quebec and St. Boniface, Manitoba		1,330,781.52
Licenses, Trade Marks and Goodwill		2.00
Prepaid and Deferred Charges		45,284.34
		$2,222,370.91
LIABILITIES.		
CURRENT		
Bank Loan—Secured	$ 420,000.00	
Accounts and Bills Payable, Accrued Charges, etc., including Reserve for Income and Sales Tax	142,208.92	
Total Current Liabilities		$ 562,208.92
CAPITAL		
Authorized		
5,000 shares 7% Cumulative Preferred stock of $100. each.		
250,000 shares Common No Par Value stock.		
Issued		
3,294 shares 7% Cumulative Preferred stock of $100. each	329,400.00	
78,000 shares Common No Par Value Stock	1,248,000.00	
		1,577,400.00
Surplus—Provided at Organization, less amounts since written off	20,268.22	
PROFIT AND LOSS		
Net Profit for the period ended 30th November 1928, before providing for Depreciation	62,493.77	
		82,761.99
		$2,222,370.91

Note—There are unpaid dividends on the 7% Cumulative Preferred Stock from the date of issue (First October 1927) to 30th November 1928, amounting to $26,901.00.

AUDITORS' CERTIFICATE.

We have audited the Books and Accounts of National Distilleries, Limited at Montreal, Que. and Winnipeg, Man. for the period ended 30th November 1928. We have accepted the Balance Sheet of Nastillers, Limited, Vancouver, B.C. as at 30th November 1928, certified by Mr. R. B. W. Pirie, Chartered Accountant, which we have incorporated in the above Consolidated Balance Sheet.

The expenses at Montreal, Que. from the date of incorporation of the Company to the 31st May 1928, at which date the plant was considered to be operating, less sundry sales, have been capitalized.

The Inventories have been certified by responsible Officials of the Company as having been valued at not more than cost, and we have satisfied ourselves as to the basis of valuation.

No Depreciation has been written off. Although the plant was considered to be in operation as from the 31st May 1928, considerable construction work was carried on during the next three or four months.

Subject to the above, we certify that (a) we have obtained all the information and explanations we have required, and (b) that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of the information and the explanations given to us, and as shown by the Books of the Company.

RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,
Montreal, 2nd January, 1929. Auditors.

Public Utility Investments

B.C. ELECTRIC EARNINGS ARE STILL GROWING

Report Reveals Continued Growth of B.C. Power's Subsidiary

From Our Own Correspondent

MONTREAL.—The annual report of the British Columbia Electric Railway Company, operating subsidiary of the B. C. Power Corporation, for the year ending June 30 last, shows that net profits for the last fiscal year were £462,747 as against £431,775 in the previous year and £283,283 in 1924.

While the report largely covers a period prior to the time the B. C. Power Corporation acquired the equity in the undertaking, yet it reveals clearly that its growth is being maintained. With the single exception of a fractional decline in the revenue from freight tonnage carried, during the 1928 fiscal year the company experienced larger profits and a heavier volume of traffic on its various facilities than in 1927. The figures showing this growth appear in the accompanying panel. The annual report of the operating company, which has just been published in England, definitely announces changes in the operating company's charter which will result in the whole undertaking being managed and conducted solely from Canada.

Income Account

The income account shows that the operating company, after all charges for depreciation, interest and dividends, earned a surplus of £111,858 in the year. While this surplus remains, of course, with the operating company, yet it is applicable to the B. C. Power Corporation's holdings in its subsidiary, which include virtually all the B. C. Electric Railway stock outstanding, save the £1,440,000 issue of 5 per cent., cumulative, perpetual preference stock.

Ranking junior to the perpetual preferred stock, there are the following securities which are virtually all owned by B. C. Power Corporation.

Preferred ordinary stock	£1,440,000
Deferred ordinary stock	1,440,000
Ordinary shares of £1 each	966,103

Canadian Hydro-Electric Output Growing Steadily

From Our Own Correspondent

MONTREAL.—The Canadian Hydro Electric Corporation, a subsidiary of International Paper and Power Company, produced in 1928 over two and two-thirds times the output of the corporation in the preceding year. During December, the output of the corporation touched a new high record for a single month. The output was over one and four-fifths times the output for December, 1927. The increasing output of this company, which controls International Paper's hydro electric activities on the Gatineau and in New Brunswick, obviously places greater strength behind the first preferred issue which are largely held in Canada.

The production of electric energy in 1928 by the whole International Paper & Power Company system was 3,504,131,000 kilowatt hours, practically double the output of the system for the previous year, 1927. For the month of December, 1928, output of International Paper & Power Company, was 355,978,000 kilowatt hours, an increase of 53 per cent. over the production of the system in December, 1927.

Public Utility Earnings

B. C. Electric Ry.

November—	1927 $	1928 $
Gross earn.	1,139,745	1,162,171
Work exp.	793,339	742,146
Net income	346,406	420,025
Aggre. gross from July 1, to Nov. 30, 1928	5,386,241	5,619,612
Aggre. net from July 1, to Nov. 30, 1928	1,515,253	1,724,843

Winnipeg Electric

November—	1928 $	1927 $
Gross earn.	553,186	551,631
Working exp.	347,877	336,487
Net earn.	209,309	215,144
Aggre. gross from Jan. 1, to end of Nov.	5,600,599	5,409,239
Aggre. net from Jan. 1, to end of Nov.	1,847,503	1,954,856

Southern Canada Power

	1928	1927	Inc.
Gross earnings	$179,813	$145,452	$34,361
Operating exp.	60,992	47,611	13,381
Net earnings	$118,821	$97,841	$20,980
Last 3 months—	1928	1927	Inc.
Gross earnings	$528,860	$428,472	$100,388
Operating exp.	176,222	142,897	33,825
Net earnings	$352,638	$285,575	$67,063

Can. Western Natural Gas

	1927 $	1928 $	Increase $
January	199,753	263,065	63,312
February	193,421	197,750	4,329
March	168,005	196,107	28,102
April	141,436	173,613	32,177
May	102,615	99,446	*3,169
June	71,993	66,761	*5,232
July	49,290	57,759	8,469
August	43,755	50,757	7,002
September	60,847	69,514	8,667
October	91,167	104,439	13,272
November	173,299	168,612	*4,687
Aggre. Earn. from Jan. 1, to Nov. 30.	1,295,581	1,447,823	152,242

* Decrease.

Jamaica Public Service

November—	1928	1927
Gross earnings	$ 50,069	$ 61,415
Oper. exp. and taxes	34,937	33,059
Net earnings	24,132	28,355
Interest charges	6,911	6,076
	$ 17,220	$ 22,279
Balance (for reserves, retirements and divid.	$ 17,220	$ 22,279
12 mos. end. Nov. 30—	1928	1927
Gross earnings	$700,522	$687,004
Oper. exp. and taxes	415,313	408,752
Net earnings	285,209	278,251
Interest charges	66,393	73,458
Balance (for reserves, retirements and divid.	$218,815	$204,793

Cape Breton Electric Co.

	Nov. 1928	Nov. 1927
Gross earnings	$ 60,186	$ 57,025
Operation	35,427	33,444
Maintenance	6,285	8,701
Taxes	2,966	1,657
Net oper. revenue	$ 15,507	$ 13,222
For the 12 months ending:	Nov. 1928	Nov. 1927
Gross earnings	$670,364	$653,014
Operation	406,547	378,660
Maintenance	91,189	101,501
Taxes	29,532	30,852
Net oper. revenue	143,093	142,000
Interest charges	68,429	68,530
Balance	$ 74,664	$ 73,470

B. C. Power Has Enlarged Profits

All departments of the B. C. Electric Railway carried a heavier load and showed larger profits in the year ending June 30 last. The figures follow:

TRANSPORTATION		
	Passengers	Revenue
1928	77,063,656	$4,879,906
1927	75,113,022	4,747,862
	Freight tonnage	Revenue
1928	487,876	$ 885,679
1927	481,690	898,468
LIGHT AND POWER		
	K.w.h.	Revenue
1928	386,296,110	$5,206,455
1927	353,074,451	4,836,238
GAS DEPARTMENT		
	Miles of mains	consumers
1928	443	41,144
1927	368	36,484
	M. cu. ft. sold	Revenue
1928	1,070,809	$1,237,055
1927	977,902	1,137,659

HIGHER FARES MAY NOT HELP TWIN CITY MUCH

Increases in Past Merely Have Reduced Street Car Traffic

Twin City Rapid Transit was stronger on the Toronto exchange this week when it became apparent that the company would get a rate increase in Minneapolis. The city statistician has recommended that strips of nine tickets be sold for 65 cents, contrasted with six rides for 40 cents under the present fare. The cash fare probably will be 10 cents.

A Canadian director of Twin City, on hearing this, said that he would be inclined to await events before becoming optimistic. In the past when Twin City has obtained higher fares there has been a consequent falling off in traffic which left the company in no better position than before.

Twin City recently sold control of the Yellow Cab Corp. of Minneapolis. A local group is the buyer. Twin City has operated the taxicab line for the last two years. Twin City will continue to operate bus lines as feeders for its urban lines.

Bell Toll Rate Cut in Line With Policy

From Our Own Correspondent

MONTREAL.—The recent reduction in long distance toll rates on Bell Telephone lines recalls the financial policy of the different Bell companies. This was expressed about a year ago by W. S. Gifford, president of the American Telephone and Telegraph Company, speaking before the National Association of Railroad and Utilities Commissioners, who announced the policy and purpose of the Bell System in the United States as "The most telephone service and the best at the least cost to the public."

The Bell Telephone Company of Canada reproduced the statement in its last annual report, stating that it was also the policy of the Canadian company. Mr. Gifford said:

"There is not only no incentive but it would be contrary to sound policy for the management to earn speculative or large profits for distribution as 'melons' or extra dividends. On the other hand, payments to stockholders limited to reasonable regular dividends with their right, as the business requires new money from time to time, to make further investments on favorable terms, are to the interest both of the telephone users and of the stockholders.

"Earnings must be sufficient to assure the best possible telephone service at all times and to assure the continued financial integrity of the business. Earnings that are less than adequate must result in telephone service that is something less than the best possible. Earnings in excess of these requirements must either be spent for the enlargement and improvement of the service furnished or the rates charged for the service must be reduced. This is fundamental in the policy of the management."

Steamers Grain Business Will Increase Earnings

From Our Own Correspondent

MONTREAL.—Due to the large movement of grain on the Great Lakes, Canada Steamships Lines is thought to have experienced a successful year. Predictions have been made that the annual report of the company, now under preparation, will show earnings of about $2.60 a share on the common stock, after depreciation. Though Steamers are not active on the market at the present time, the recent demand for Canada Steamship issues indicates that investors have confidence in the success of the company, and expect good results in future.

Plans of the company call for the construction of the largest bulk freighter on the Upper Lakes. The vessel will be ready for operation in September, 1929, the rush month for bulk cargoes on the Great Lakes. The capacity of the new steamer is stated to be nearly 50,000 bushels, and it will be placed in commission in the Head of the Lakes-Port Colborne service.

'Peg Electric Shares Position is Improved

From Our Own Correspondent

MONTREAL.—It is said that marketwise the shares of the Winnipeg Electric are working into a stronger position and that there are evidences which point to the fact that accumulation has bene going on and that the stock has been passing into strong hands.

Whether these rumors be correct or not, it is certain that the forthcoming financing of the North Western Power Company, which is to develop the Seven Sisters Falls, will have a favorable effect on the Winnipeg Electric situation. It is possible the parent company may offer new rights to its shareholders in order to purchase control of the equity in the new subsidiary which will so largely increase the potential power resources of the company.

Montreal Power Expected to Show Higher Earnings

From Our Own Correspondent

MONTREAL.—The annual financial statement of the Montreal Light, Heat & Power Consolidated, will appear early next week, when it is expected that it will show earnings of about $3.50 a share. Montreal's growth to its present position as Canada's largest city, and the largest inland port in the world, has been accompanied by a still more striking growth in the business of its principal public service company.

Montreal Power handles all the gas, and substantially all the electric power and light requirements of greater Montreal, gross revenues have increased in the past 20 years more than 530 per cent., as against an increase of approximately 170 per cent. in the population of the territory served.

BRAZIL PHONE CASE SETTLED; LICENSE GOOD

Court Validates Rio Franchise; Expansion Likely to Follow

Supreme Court of Brazil has handed down a decision upholding the validity of the franchise granted the Brazilian Telephone Co. by the city of Rio de Janeiro. This news, which was available on January 19, caused the stock to move up four points, recovering the ground lost following the announcement of rights on the shares. The rights had been discounted by the market, but the court decision apparently had not been expected at this time.

This question has been before the courts for some time, the action to test the validity of the concession having been commenced by the predecessors of the present administration of the city of Rio de Janeiro and not by the present administration. The company has always believed in the justice of its case and that this would be recognized by the courts. In addition to the favorable result being of material benefit to the company, it is a satisfaction that the highest court in Brazil, by a practically unanimous decision, has affirmed the company's concession as that naturally strengthens the confidence that the company has always had in the justice of Brazilian tribunals.

Improvement in the Rio Telephone Plant is likely to result.

TOR. G. TRUSTS GROSS EARNINGS AT NEW RECORD

Premium on New Shares Brings Reserve to $3,100,000

Toronto General Trusts Corp. reports for the year 1928, the largest earnings in its history, $461,731. After deducting appropriations for office equipment and provision for taxes, there remained available for distribution to shareholders a record total of $385,487, which is 15.4 per cent. on $2,500,000 of capital, compared with 1927 net earnings of $332,373, or 16.6 per cent. available for distribution on $2,000,000 of capital.

The corporation realized $502,955 premium in the sale of its additional shares during the year and $500,000 of this was added to reserve, bringing that fund to $3,100,000. Other appropriations were $42,769 for writing down office premises. Owing probably to the important addition made during the year to the head office building in Toronto, the office premises now show in the balance sheet at $1,225,000, compared with $1,000,000 a year ago.

Real estate held for sale under foreclosure proceedings shows a marked reduction, from $356,019 to $277,865. Otherwise, capital account has grown from $4,925,130 to $6,019,555. Guaranteed trust accounts are up from $15,158,673 to $15,429,597. Assets under administration are up from $149,729,164 to $160,365,994. Total assets thus have grown substantially, from $169,812,968 to $181,815,147.

Following is the record of the company in recent years:

Distribution of Earnings

	1928	1927
Profits	$461,731	$401,158
Taxes	64,000	48,000
Written off office equipment, etc.	14,244	20,785
Net profits	383,487	332,373
Prem. on stock	502,955	......
	886,442	332,373
Dividends	276,601	240,000
Writ. off premises	42,769	......
Reserves	500,000	......
Balance	67,072	92,873
Prev. balance	228,831	136,459
P. & L. balance	295,903	228,832

Year	Paid-up Capital	Profits	Earned %	Rate
1920	1,726,960	287,646	16.6	11+1
1921	2,000,000	271,806	13.5	12
1922	2,000,000	183,969	9.1	12
1923	2,000,000	299,326	14.9	12
1924	2,000,000	273,690	13.6	12
1925	2,000,000	317,016	15.8	12
1926	2,000,000	†342,079	17.1	12
1927	2,000,000	332,373	16.6	12
1928	2,500,000	‡383,487	15.2	12

*After deducting taxes and amount written off equipment.
‡Before deducting amount written off premises.
†After deducting equipment appropriation.

WATERLOO TRUST TO ADD TO CAPITAL

Ontario Company Reports Substantial Growth in Year

Waterloo Trust & Savings Co. had earnings available for dividends of $99,762 in 1928, or 13.2 per cent. on the $750,000 of capital, compared with $81,630, or 10.8 per cent. in the previous year. Earnings before taxes were $104,967.

The dividends paid during the year were 7 per cent., an increase one half of 1 per cent. from the rate which had prevailed from 1921. The directors transferred $45,000 to the reserve, bringing that fund to $300,000.

It is the intention of the company to increase the issued capital to $1,000,000.

Capital account is up from $1,010,008 to $1,083,521. Guaranteed trust account is up from $5,419,224 to $6,373,799, and the estate, trust and agency account is up from $1,113,978 to $1,546,218. Thus total assets are $9,003,539, compared with $7,567,587 a year ago.

Following is the recent record of the company:

Earnings Record

Year	Paid-up Capital	*Profits	Earned %	Div. Rate
1920	$638,764	$56,995	8.9	6
1921	674,295	54,637	8.1	6
1922	707,920	57,672	8.1	6½
1923	729,685	62,657	8.5	6½
1924	750,000	63,482	8.5	6½
1925	750,000	63,382	8.4	6½
1926	750,000	73,639	9.7	6½
1927	750,000	81,630	10.8	6½
1928	750,000	99,762	13.2	7

*Income tax deducted.

New Airport Established

The Fort William Aero Club has secured an airport comprising more than 100 acres, adjacent to the municipal golf course, and the ground will be laid out to meet the requirements of the club. At the present time the club consists of thirteen ex-pilots with thirty active members in sight. Two moth planes are expected from the government shortly.

STRIKING GAINS IN DEVELOPMENT OF MARITIMES

All Phases of Industry Show Large Improvement

GAIN IN BUILDING

New Canadian National Service to West Indies Will be Beneficial

From Our Own Correspondent

MONTREAL. — The Maritime provinces are sharing in the general prosperity which Canada enjoys today, says the monthly letter of the Canadian Business Preview. While the Maritimes, generally speaking, have been slow to react to prosperous conditions in the Dominion in the past, there is ample evidence to show that these provinces have at least temporarily recovered from a condition of inactivity.

Among the many evidences of the economic recovery of these provinces, the most tangible lies in the fact that building contracts in 1928 have a value of nearly four times that of 1927. Confidence in the future of industry and trade is so marked at the present time, that this building expansion in 1928 may be regarded as only a preliminary step in preparation for expanded production during 1929.

Building Contracts Higher

In attaining a total of $18,000,000 in building contracts, the Maritimes have accounted for more than one quarter of the Dominion's total value of building construction—more than double that of Quebec, and 55 per cent. more than the combined industrial construction of the four Western provinces. Details reveal that the amount spent on new warehouses was six times that of 1927, on retail stores, nearly four times greater, on public garages, three times, on schools, more than three times the preceding year's expenditure.

These statements apply chiefly to Nova Scotia, and in a smaller degree in New Brunswick and Prince Edward Island. The percentage increases of construction in these three provinces during 1928 were 408.6 per cent., 117.7 per cent., and 33 per cent., respectively.

Less Unemployment in 1928

Employment shows a slow but consistent progress, and the recent remarkable expansion of construction, especially industrial, should react favorably on employment during the current year. Approximately 20 per cent. of the Maritime people are dependent upon mining for a livelihood, directly or indirectly. Three years of peaceful conditions and improved marketing have changed the coal mining area of Northern Nova Scotia from a state of business depression to one of reasonable content. Although coal production for 1928 showed a small decline, the last few months have witnessed an improvement both in output and sales.

Power Brings Industry

The completion of the Grand Falls development on the Saint John River has resulted in an important expansion program in the pulp and paper industry. This involves extensions and additions to the present plants in the Upper Saint John, Restigouche, and Miramichi Rivers. These include the construction of a newsprint mill at Dalhousie by the International Paper Company, with an initial daily capacity of 250 tons and an ultimate capacity of 500 tons. The Fraser Companies and the Bathurst Power and Paper are also carrying out plant extensions.

Indications point to a marked increase in both the volume and value of fisheries production over 1927. Fishing centres have shown a substantial recovery in retail trade during the year, and the fishing industry is enjoying better conditions than those which surrounded the industry during 1927. Recent adjustments in rail rates, together with substantial harbor improvements, have made the outlook for development in Halifax substantially improved. In addition to this, the new Canadian National Steamships services to the West Indies should prove of great value to Halifax and the Maritimes generally.

SHOW GOOD INCREASE BY CONTINENTAL LIFE

Annual Statement Reports Advance in Most Departments

New business secured by the Continental Life Insurance Company during 1928 amounted to $9,800,000, an increase of $760,000 over the figures of 1927. Insurance in force also showed an increase, the new total being $36,400,000, which is $3,600,000 in excess of last year's total.

The assets of the company have increased, as has the amount paid to policyholders and the total net income. The average rate of interest on all invested funds, however, showed a slight decrease. The 1928 figures were .14 per cent. lower than the 1927 rate.

The company expresses confidence in the future, one paragraph in the address by President George B. Woods mentioning that the bonds, stocks, debentures and home office building, were all carried in the balance sheet at an amount considerably below their market value.

The board of directors was re-elected for the ensuing year.

	1928	1927
Total net income	$1,552,174	$1,425,313
New insurance	9,861,594	9,094,942
Insurance in force	36,416,504	32,778,860
Paid policyholders	525,484	442,589
Total assets	6,217,162	5,650,119
Average interest rate	6.21%	6.35%

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EXCELSIOR LIFE
HEAD OFFICE TORONTO, CANADA

A Year *of* Records
BEST IN THE COMPANY'S HISTORY

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1928 show—

1. The largest increase in volume of business.
2. The largest increase in total income.
3. The largest increase in assets.
4. A continuance of favorable mortality.
5. Rate of interest on investments maintained.
6. Expense rate further reduced.

The following figures indicate solid progress—

		Increase
Income	$3,605,828.52	$448,203.31
Assets	14,797,720.30	1,470,567.35
Insurance Issued and Revived	20,009,188.00	3,290.716.00

Insurance in Force
$85,273,827.82

EXCELSIOR
INSURANCE **LIFE** COMPANY
HOME OFFICE—EXCELSIOR LIFE BUILDING, TORONTO
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The original issue was over-subscribed. The stock will be listed on the New York Curb. We recommend the purchase of this stock at the market.

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News of Investment Markets

LOWER YIELDS ON B.C. BONDS OF NEWEST ISSUE

Excellent Financial Condition of Province Reflected in Price

Bonds of the province of British Columbia were offered to the public this week by a syndicate composed of A. E. Ames & Co., Wood, Gundy & Co., Dominion Securities and Canadian Bank of Commerce, at a price to yield the investor 4.8 per cent. to maturity. The past previous issue of British Columbia bonds was in October, 1928, at a price to yield the investor 4.92 per cent. to maturity.

The present issue is for $6,417,000 of 4½ per cent. sinking-fund debentures, dated January 23, 1929, and due on the same date in 1969. It brings the net debt of the province to $88,814,027, against an assessment of approximately $900,000,000. Included in the gross debt is the temporary and funded debt of the Pacific Great Eastern Railway, now operated by the province. The province has also guaranteed other railway bonds to the amount of $45,517,857, but $40,000,000 of these are in connection with railways now operated by the Dominion government.

The debentures are non-callable and principal and half-yearly interest are payable at the holders' option in gold at the Canadian Bank of Commerce in Toronto, Montreal, Vancouver or Victoria and in United States, in gold, at the agency of the Canadian Bank of Commerce in New York.

ELECTRIC ELEVATOR MAKES STOCK ISSUE

Fort William Grain Company Financed by Bonds and Shares

Gradually the grain trade of Western Canada is getting into the control of the rank and file of Canadian investors. The latest western grain company to be publicly financed is the Bole Grain Company, which appears now as the Electric Elevator and Grain Company and the bonds and stock of which are being offered by Harley, Milner & Co., Toronto.

Offering is now being made of 31,500 shares of Class A stock of the company at $25 per share. Company is also issuing $450,000 of bonds but these have not yet been placed on the market.

Electric Elevator operates a private terminal elevator at Fort William, but does not own a line of country elevators.

The "A" shares, now being offered, are to be listed on the Toronto Curb. A bonus of "B" shares is given with the issue.

Particulars of the issue follow:

31,500 Shares
Class "A"
Electric Elevator and Grain Company, Ltd.

Capitalization—	Author.	Issued
1st mtge. 6%, 15-yr. bonds	$650,000	$450,000
Class "A" stock, n.p.v. ..	*50,000	*31,500
Class "B" stock, n.p.v. ..	*50,000	*31,500

* Shares.

Company—Organized to acquire Electric Elevator at Fort William. Plant has storage capacity of 1,000,000 bushels and facilities for unloading, handling and conditioning 100 cars a day. Owns also seat on Winnipeg grain exchange.

Assets—Fixed assets appraised at $796,689. Net current assets $100,000. Total including exchange seat $926,689.

Earnings—Year to July 31, 1928, $155,130 or $2.90 on "B" after $2 on "A."

Dividends—Class "A" entitled to $1.50 of preferential cumulative dividends. After $1 "B" the "A" shares equally up to maximum annual dividend of $2.

Offered—January, 1929, by Harley, Milner & Co., at $25. Bonus of one in four of class "B."

Bond Notices

BOND REDEMPTIONS

	Rate	Due	Redeem.	Price
Lake Superior Paper	6%	1941	Mar. 1	105
Merchants Realty	6%	Ser.	Feb. 1	105
Span. Power	6%	1929	Mar. 1	102
Quebec Power	6%	1953	Apr. 1	107½
Consolidat. W. & P.	5½%	1947	Feb. 1	103
*Ham. By-Products Stock—	7%	1943	Feb. 1	104
Robt. Mitchell, 1st pref.	7%	....	Mar. 11	107½
Building Prod.	7%	Pref.	Apr. 1	105

* In part.

Tenders and By-laws

Feb. 6.—Corp. of St. Anicet, P.Q.—$4,000, 5 per cent., 24-year bonds. D. Crevier, sec.-treas.

Jan. 30.—Twp. of Bertie.—$62,905, 5 per cent. bonds. J. Young, treas.

British Columbia

The folowing certificates have been issued by the municipal department of the Province of British Columbia upon the following dates:

Oct. 1, 1928—City of Kelowna, "Fire loan by-law, 1928," $8,500, 10-years, 5%; Oct. 1, 1928—City of Kelowna, "Waterworks loan by-law, 1928," $20,000, 20-years, 5%; Oct. 1, 1928—City of Kelowna, "Hospital aid by-law, 1928," $15,000, 20-years, 5%; Oct. 18, 1928—City of Trail, "Creek Channel debenture by-law," $35,000, 20-years, 5%; Oct. 19, 1928—City of Port Alberni, "Electric light improvement loan by-law, 1928," $21,000, 20-years, 5%; Nov. 19, 1928—District of Burnaby, "Local improvement debenture consolidation by-law, 1928," $19,930, 10-years, 5%; Nov. 23, 1928—City of Nelson, "Drainage sewer by-law, 1928," $20,000, 20-years, 5%; Nov. 23, 1928—City of Nelson, "Power plant by-law, 1928," $240,000, 20-years, 5%; Nov. 26, 1928—City of Trail, "Local improvement sewer extension debenture by-law," $15,500, 20-years, 5%; Nov. 30, 1928—City of Trail, "Tadanac school district debenture by-law," $2,928, 20-years, 5%; Dec. 4, 1928—District of Burnaby, "Local improvement debenture by-law, No. 23, 1928," $225,000, 30-years, 5%; Dec. 13, 1928—City of Kamloops, "Local improvement consolidating by-law No. 525," $15,272, 10-years, 5%; Dec. 26, 1928—East Delta, "Drainage by-law, 1928, $8,557, 5-years, 6%; Jan. 2, 1929—City of Port Moody, "Local improvement consolidating by-law, No. 229," $3,701, 10-years, 5½%; Jan. 2, 1929—City of Port Moody, "St. George's St. sidewalk local improvement debenture by-law," $1,640, 20-years, 5½%; Jan. 7, 1929—City of Cranbrook, "The local improvement debenture consolidation by-law, 1928" $45,798, 10 yrs., 5%; Jan. 7, 1929—Corp. Point Grey, "Local improvement loan consolidation by-law No. 950, 1928," $253,410, 30-years, 5%.

Demand is Constant for Government Bonds

Although the bond market has been dull recently, members of the syndicate believe that the present British Columbia issue will be marketed readily. In the present widespread interest in stocks, the bond market has not been receiving the attention of the financial community which it formerly claimed. But it is asserted by the representative of one house important in both fields that the demand for government and municipal issues remains constant.

Besides the comparatively large amounts of government and municipal issues which still are purchased by institutions and others, who through compulsion, buy trustee investments, there is still a considerable number of individuals who buy these investments from choice.

Some Buy Both

"I do not suppose there is a day goes by that we do not confirm 25 or 30 sales of municipal bonds," said the authority referred to. "Perhaps if government and municipal financing necessarily had grown as rapidly as industrial financing in the last four or five years we might find a marketing problem. But the fact is that, with government and municipal financing proceeding at a slower pace than four years ago, the investing power of the public has grown enormously, with the result that, except in an issue of unusual size, a provincial or municipal issue is cleaned up within a short time after its offering.

"There is hardly a doubt, however, that a larger proportion of our clients," he continued, "are buying industrial stocks and bonds than ever before, but I am not in position to say how many of these are former buyers of provincials and municipals who have been converted to industrial and utility investment and how many are new clients who came to us in the first place as buyers of utilities and industrials.

"Then there are a larger number of conservative investors who have not wholly deserted the field of government municipal bonds. These, we find, will take blocks of both classes as we offer them, whereas in the old days no investment less sound than a provincial or high-grade municipal would be considered by them."

STANDARD FUEL STOCK IS OFFERED

Two Toronto Companies Will Operate Under One Control

Wood, Gundy & Co. this week offered $1,400,000 of preferred stock in Standard Fuel Co., Toronto, which will be a holding company for an operating company of the same name and for Milnes Coal Co. Both these companies have been in business for many years and are reported to have a good trade in the marketing of coal, coke, briquettes and fuel oil.

Directors of the new company are: Col. K. R. Marshall, J. Herbert Milnes, D. B. Hanna, A. J. Mitchell and W. E. Wilder.

Details of the issue follow:

$1,400,000
Standard Fuel Co.
6½% cumulative sinking fund preferred stock
$100 par

Capitalization—	Authorized	Issued
Mortgages		†$29,000
Preferred	$2,500,000	$1,400,000
Common (no par) ...	50,000 shs.	50,000 shs.

† Purchase-money mortgage not yet due.

Business—Constituent companies will continue to operate, but under unified management. Operate seventeen coal yards, majority of which are owned. Serve Toronto and suburbs and outside points.

Earnings—$165,000 estimated for year ending March 31, 1929, against preferred requirements of $81,000.

Assets—Aggregate $1,781,895, of which $729,875 are net current assets.

Security—No prior offering authorized except with consent of 75 per cent. of preferred. No dividends on common until earned surplus is equal to two years' dividends on preferred.

Preferred provisions—Cumulative dividend at 6½ per cent. payable quarterly. Redeemable in whole or in part at 110 on 60 days' notice.

Offer—Jan., 1929, by Wood, Gundy & Co., at par and accrued dividend plus bonus of one-half share of preferred.

CANADA DAIRIES OFFERS PREFERRED

Seven Small Toronto Companies Merged Into New Company

Preferred stock to the amount of $800,000 is about to be offered in Canada Dairies, Ltd., which is a merger of seven established dairies in Toronto and suburbs.

Details of the issue follow:

$800,000
Canada Dairies, Ltd.
(Ontario company)

Capital—	Author.	Issued
Pref. ($100 par)	$1,7000,000	$800,000
Common (no par)	75,000	35,000

Company—Will engage in distribution of milk, manufacture of butter, ice cream and other dairy products. Consolidation of several plants is expected to result in savings.

Earnings—Stated to be $109,499 for 1928 and that economies will bring total to $154,499 available for preferred dividends of $56,000.

Security—Appraisal figures not given in prospectus, but it is stated report may be inspected at office of issuing house.

Preferred Provisions—7 per cent. cumulative, redeemable at $105. Non-voting except when in arrears. Sinking fund of 10 per cent. of net earnings.

Offer—By Bonds & Investments, Ltd., Toronto, at par plus bonus of one share of common with each two preferred.

Citizens' Dairy to Operate Chain in Eastern Ontario

Gray, Bashford, Limited, Toronto, are offering units to the extent of $125,000 in the Citizens' Dairy Limited, which operates a dairy in Belleville, Ont., and has recently purchased dairies in three other Eastern Ontario towns.

Details of the issue follow:

$125,000
Citizens' Dairy Limited
7% Cumulative, Redeemable Sinking Fund Preference Shares

Capitalization—	Authorized	Issued
7% cum. redeem. S. F. pref. shs. p. value $100	$300,000	$125,000
Common stock, n.p.v. ...	*10,000	*3,900

* Shares.

Purpose—To acquire dairies in Brooklin, Havelock and Tweed, Ont.

Earnings—Net earnings in past year were $13,935, or over $5 per share of common stock.

Security—Preference shares to retain rank as senior security.

Sinking Fund—Ten per cent. of net profits each year after payment of preferred dividends to be set aside to call in shares.

Offered—January, 1929, by Gray, Bashford, Limited, Toronto; at $110 per unit of one prefered share and one common share fully paid and non-assessable.

Dictionary for Investors

MONTREAL.—An interesting booklet entitled "Dictionary of Investment Terms," has been compiled by Nesbitt, Thomson & Company, for the use of investors and prospective investors The book defines, in a clear and concise manner, terms which are used every day in the purchase and sale of securities, and throws light on words which may not be clear to those unacquainted with investment terms.

The present publication will be supplemented at intervals by three further folders.

UNITED SECURITIES SELLS MORE BONDS

Proceeds of New Issue Used to Take Up Tram Stock —Yield 5.45%

From Our Own Correspondent

MONTREAL.—A new offering of bonds of United Securities was made this week. The proceeds of the issue will permit the company, and Consolidated Securities its wholly-owned subsidiary, to absorb the new stock issues which have been made by the Montreal Tramways Company. The particulars of the issue follow:

$1,600,000
UNITED SECURITIES LIMITED
Collateral Trust Sinking Fund Bonds Series "B", 5½%

Dated: Nov. 1, 1928. **Due:** May 1, 1952.

Capitalization:	Authorized	Outstand.
Common stock .... (par value $100)	$14,000,000	$5,126,200
6% cum. pref. stock .	6,000,000	4,655,372
Collateral trust bonds	20,000,000	
5½% Series "A", due May 1, 1952 (closed)		3,561,500
5½% Series "B", due May 1, 1952 (this closed issue)		1,600,000

Security: The securities to be pledged and already pledged under the Trust Indenture securing the Collateral Trust Gold Bonds of the Company are the following:

$3,760,000 Consolidated Securities Series "A" 6% collateral sinking fund bonds due 1952.

$1,600,000 Consolidated Securities Series "B" 6% collateral sinking fund bonds due 1952.

8,778 Common shares of Consolidated Securities (of a total of 8,794 shares issued and outstanding).

$1,302,000 Canadian Light & Power Company 5% first mortgage bonds due 1949 (of a total of $3,180,000 outstanding).

18,756 Common shares of Canadian Light & Power Company (of a total of 33,248 shares issued and outstanding).

The Consolidated Securities owns 38,336 shares of the Montreal Tramways Company.

Earnings: For year ended March 31, 1929, will be over $525,000. Total bond interest requirements $283,882 annually.

Purpose of Issue: To permit the Consolidated Securities to subscribe to new shares of Montreal Tramways and to reimburse the subsidiary company for expenditures already made for this purpose. The company covenants to maintain stock control of the tramways company during the life of the bonds.

Offered: January, 1929, by Aldred & Co. and Wood, Gundy & Co., at 100½ to yield over 5.45 per cent.

Sika (Canada) Financing To Enter Canadian Field

Incorporation was granted recently in England to Sika (Canada) Limited, with capitalization of £24,000 for the purpose of exploiting in Canada sole rights of Sika, Limited, to Sika waterproofing compounds for concrete, reinforced concrete and other constructional work in Canada.

£24,000
Sika (Canada) Limited

	Authorized	Issued
40,000 10% cum. pref. shs., of 10/- par value	£20,000	£20,000
80,000 ordinary shs. of 1/- par value	£ 4,000	£ 4,000

Preference shares are not fully paid up, 50 per cent. of value being payable when required in future. No debentures have been issued. Ordinary shares are fully paid up.

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Investment Securities
350 Bay St., Toronto

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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCES AND DOMINION GOVERNMENTS

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
		—Provincial—					
British Columbia	Jan.	Dillon, Read & Co., A. E. Ames & Co., Wood, Gundy & Co., Dom. Securities and Bank of Commerce	4½%	40-yr.	$6,417,000	94.69	4.80

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
United Securities	Jan.	Aldred & Co., Wood, Gundy & Co.	5½%	1952	$1,600,000	100½	5.45%
Stock Issues—							
Tri-Continental Corp.	Jan.	Seligman & Co., Dom. Securities Corp.	6%	Pref.	$25,000,000	$104	...
				Com.	1,000,000 shs.	$27	...
Dom. Tar & Chemical	Jan.	Wood, Gundy & Co. and Greenshields & Co. . (With bonus of 5 shares of common with each 10 shares of preferred).	6½%	Pref.	4,500,000	100	6½%
Citizens' Dairy	Jan.	Gray, Bashforth .... (Units of one share pref. and one share com. $110 per unit).	7%	Pref.	$125,000	...	...
Electric Elevator & Grain	Jan.	Harley, Milner & Co.	...	....	31,500 shs.	$25	...
Standard Fuel	Jan.	Wood, Gundy & Co. .... (With bonus of one-half share of no par common)	6½%	Pref.	$1,400,000	100	6½%
Petroleum Corp. of America ...	Jan.	McLeod, Young, Weir and Can. and U. S. Syndicate	....	....	3,250,000 shs.	$34	....

EXCELSIOR LIFE YEAR'S BUSINESS SHOWS INCREASE

Insurance in Force Now Amounts to Over $85,270,000

During 1928, the surplus fund of the Excelsior Life Insurance Company, according to the annual report, were increased by $273,600, bringing the total surplus up to $2,089,000, of which $434,500 has been allotted to deferred dividend policies. This figure is $167,000 more than in 1927.

Insurance in force amounts to $85,270,000, of which $20,000,000 was the amount of issued and revived insurance for 1928. The insurance in force is $8,800,000 more than last year. Total receipts from all sources showed a gain of 14 per cent. over those of 1927. This year's figures were $3,605,000. The year's average interest rate was 6.04 per cent.

Comparative figures are as follows:

	1928	1927
New business	$20,009,118	$16,718,386
Insurance in force .	85,273,828	76,386,830
Assets	14,967,620	13,521,660
Premium income ..	2,758,190	2,413,194
Total income	3,605,829	3,157,625
Surplus	2,089,085	1,815,409

DOMINION TAR PREFERRED IS ISSUED

Earnings for 1928 Estimated at 2½ Times Dividends

Following the issue of $4,000,000 of debentures of Dominion Tar & Chemical Co., a week ago, an offering also has been made of $4,500,000 of 6½ per cent. preferred shares at $100 per share and accrued dividend with bonus of five shares of common with each ten of preferred.

Details of the preferred stock issue follow:

$4,500,000
DOMINION TAR & CHEMICAL CO.
6½% Cumulative Preference Shares

Capitalization—	Authorized	Issued
Debentures	$7,500,000	$4,000,000
Pref. stock, $100 par .	7,500,000	4,500,000
Common, no par ..	300,000 shs.	230,000 shs.*

*20,000 shares reserved for purchase by debenture holders.

Business—Company is dominant one in business of creosoting wood, producing tar and other by-products besides creosote (for further details see The Financial Post of January 18).

Earnings: On basis of previous years, estimate for 1928 is $733,197 available for dividends on this issue, compared with requirements of $292,500.

Offer—January, 1929, by Wood, Gundy & Co., at $100 per share and accrued dividend plus five shares of common with each ten of preferred.

Central Manitoba Meeting

Central Manitoba Mines' shareholders meet on Friday next at Winnipeg to pass upon the proposal to increase the capitalization to $5,000,000, and to issue new shares to shareholders at 70 cents.

WIREBOUND BOXES ISSUE IS OFFERED

Company Controls Valuable Patents for Canada, It is Said

Bankers Bond Co., Toronto, is offering 90,000 class A shares in Canadian Wirebound Boxes, Ltd., a company recently bought by James Playfair, of Midland, and associates. The company controls certain patents necessary for the manufacture of wirebound boxes of an economical type and also recently has begun the manufacture of corrugated paper boxes. Plants are operated at Toronto, Montreal, etc. and an enlargement of the Toronto plant is contemplated.

The class A shares are preferred to $1.50 and after $1 per share has been paid on the 40,000 class B shares, participate share for share in all further dividend distributions. There are no bonds.

Details of the issue follow:

90,000 Shares
CANADIAN WIREBOUND BOXES
Class A Participating Shares
(Fully paid and non-callable)

Capitalization:	Authorized	Issued
Class A, no par	150,000	90,000
Class B	40,000	40,000

Business: Established in 1916 and has since acquired businesses in Hamilton and a basket factory at Oakville. Began business in Montreal in 1923. Toronto plant to be enlarged. Company owns important patents for Canada.

Purpose of Issue: To provide capital for expansion, to pay in part for purchase price of company and to provide additional working capital.

Assets: Total $2,388,254, or approximately equal to the price of these shares.

Earnings: Estimates for current year at $250,000, compared with Class A dividend requirements totaling $135,000.

Management: Same as in old company with the addition of James Playfair and associates.

Class A provisions: $1.50 annual dividend is cumulative. After Class B has received $1, further disbursements must be distributed equally among all shares of both classes. Preferred as to assets up to $26 and shares equally with Class B in the event of liquidation or sale after Class B has received $26. Ten per cent. of profits annually go to create reserve of $500,000, which, when achieved, must be maintained.

Offer: January, 1929, by Bankers Bnd Co., at $26 and accrued dividend.

CAN. WESTERN LUMBER
Statement of Lumber Manufactured, Sales and Price Realized

November—	1927 Feet	1928 Feet	Increase Feet
Lumber mftd. ...	7,489,704	12,202,400	4,712,696
Lumber sold	8,191,204	10,234,600	2,043,396
Price realized	$164,426	$226,900	$62,474
Aggre. lumber mftd.†...	108,295,079	130,329,740	22,034,661
Aggre. lumber sold †...	121,012,584	123,975,989	2,963,405
Aggre. price realized †	$2,649,843	$2,822,119	$172,276

† From 1st Jan. to end of Nov.

This Week's Bond Sales

TWO FRENCH ISSUES

MONTREAL—The Credit Anglo-Francais has been awarded privately the following bond issues:

$45,000 Sisters of Charity of St. Vincent de Paul, 5½ per cent. bonds maturing serial from one to 20 years.

$45,000 Sisters of St. Joseph, 5½ per cent. bonds maturing serially from one to 20 years.

New Issue
WESTERN GRAIN COMPANY, LIMITED
First Mortgage Sinking Fund Gold Bonds
6%, Series "A"
To be dated January 2nd, 1929. To mature January 2nd, 1949.
PRICE: 100 and interest, yielding 6%
MATTHEWS & COMPANY
LIMITED
Investment Bankers
255 Bay Street Elgin 5192 Toronto 2

WELLINGTON BUILDING, TORONTO
$425,000.00
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The Wellington Building, Toronto, and the Genosha Hotel, Oshawa, Ontario, are both high class, modern, permanent buildings. Each is so located and designed that it fills a definite need and is assured of success.
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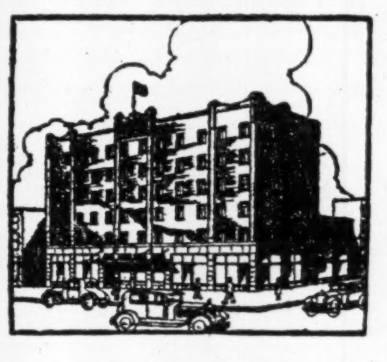

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Widening Fields

Not so long ago the prudent investor confined his purchases almost exclusively to investment bonds—obligations secured by mortgage or taxing power.

Today this investor has widened his field to include common stocks of the leading and more prosperous corporations on this continent which, because of their strong earnings and equity position, are entitled to a true investment rating.

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The National City organization has investigated and approved the common stocks of certain enterprises—its judgment and advice are available to investors who wish to extend their holdings into the field of common stock equities.

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367

New Westminster Shipping

A new mark in shipping was set at New Westminster during 1928, exceeding by 45 ships the 1927 record of 153. The figure does not include the coastwise shipping, which is handled through the Department of National Revenue. The net tonnage of the ships handled through the harbor commissioners' office was 625,271 tons and the gross 984,368 tons, compared with 486,603 and 776,229 respectively in 1927.

Land Sales Heavier

Over 50 per cent. more farm lands in the provinces of Alberta, Saskatchewan and Manitoba were sold by the land department of the Canadian Pacific Railway in 1928 than in the previous year, according to the superintendent of lands. In the past year 659,464 acres of farm lands were disposed of as compared with 427,921 acres in 1927. In the course of the twelve months of 1928, 1582 new settlers took up C.P.R. lands.

We offer subject to sale--
Great Lakes Paper Co. 6% Bonds
Arnold Bros. Ltd. 6% Bonds
Melchers Distilleries Ltd. Class "A" Shares
International Proprietaries Ltd. Class "A" Shares
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TORONTO, JANUARY 25, 1929

INCOME TAX INEQUALITIES

THE Canadian Tax Conference has published the text of three resolutions passed at its annual meeting last October. These deal with Canadian income tax and because of the representative character of those who make up the Canadian Tax Conference they warrant sympathetic attention from the minister of finance.

One refers to the double taxation of industrial profits through the eight per cent. corporation tax and the tax on dividends. Instead, however, of suggesting that the normal tax on dividends be discounted again, the conference suggests that the income tax should gradually be reduced to a nominal figure of, say, two per cent.

Another resolution points out that local improvement taxes are not now allowed as a deduction in arriving at income. Since some communities charge public improvements against properties supposedly benefitted and other municipalities charge them against the general tax rate this leads to inequalities throughout the country.

Moreover, under modern conditions most local improvement taxation is, in great part, for the benefit of the whole community. The Conference feels that local improvement taxes should be considered a fair deduction.

A third resolution asks the government to exempt from taxation income received by Canadian companies from foreign subsidiaries. At present triple taxation is levied in connection with most of this income. It is taxed in the foreign country, it is taxed in Canada and it is taxed as dividends to the Canadian shareholders.

Such suggestions as these are reasonable and fair. They are in striking contrast to occasional presumptuous resolutions passed by Tooley Street tailors asking that the income tax—and probably the sales tax, and the excise taxes, and the customs duties—be abolished completely forthwith.

AVIATION POLICY

CANADA'S advance in aviation will depend largely upon two things: the degree of encouragement—and this does not mean subsidies—that is given to private capital to build up aviation services for transport, mapping and patrol work, and the extent to which the Dominion government imposes sane and reasonable regulations that will protect the public without smothering what is yet an infant industry. In respect to both of these, Ottawa's policy has been reasonably but not entirely satisfactory to date. In retrospect, one may criticize the government for having built up such a large fleet of airplanes for commercial work—such as mapping. These government airplanes have done a great deal of work that should have been farmed out to private companies. This would have given the commercial companies a better chance to get a foothold and the government would undoubtedly have saved money by so doing, for the operating costs of the R.C.A.F. planes are known to be inordinately high.

The government has spent many thousands of dollars on this work. If these sums had been paid out to commercial companies under contracts for work, it would have established them on a firm foundation, would have more quickly built up this new industry and would have helped the manufacture of planes in Canada.

Inquiry at Ottawa reveals that it is now the policy of the government to divert more and more of this work to private companies and this policy cannot be too greatly speeded up in application. Several years ago the government indicated that it would favor the commercial companies in mapping and similar work but in the interval it has built up a large fleet of planes. It is said that even to-day the government has more machines engaged in work of a commercial nature than all the commercial companies put together.

At first glance, it would seem to be the function of the government to do the mapping of the country. But there are reasonable bounds to such government work. The government should map the entire country on the universal map scale to which all countries are mapping their territories. No one can offer objection to this work. But the government has gone further. It has made maps on request for favored individuals, either at low cost or free of charge. It has made large scale maps of water power sites, timber areas and mining sites. The making of such maps is obviously not a government function and, when the government gets a request for such a map, it should refer the inquirer to one of the private companies. In the making of photographs, the government has also usurped private fields and has supplied large-scale detail photographs or even oblique photographs to power, mining and industrial companies.

Ottawa should definitely and publicly declare its policy in regard to the line of demarcation between public and private work in aviation. It should indicate that in the future no work that is not strictly part of the topographical survey of the country should be done by government airplanes. All other work should be done by those who want it and at their own expense. The policy should include a statement that the government will not do any work for hire.

The government should go further and as quickly as possible arrange to have all its own work done by private contract. In this way it will save money in its mapping costs and, at the same time, build up commercial aviation and assist airplane manufacture in Canada. This would make it unnecessary to grant subsidies to build up commercial aviation. The companies would be given a chance to stand on their own feet.

STOCKS AND BUYING POWER

WHAT will happen to Canadian purchasing power when the end of the present stock market boom comes—when rapid and sensational price advance gives way to greater stability and a more steady advance in price levels? Scores of the new homes that have been built in Toronto, Montreal and other cities, many of the high power imported automobiles and a great many other expensive articles that have gone into general consumption have been financed with stock market profits. Speculators and investors alike have spent their market profits, or a substantial portion of them, and the apparent purchasing power of the country has been increased to that extent.

Will the end of the boom in the stock markets lead to a reduced national income, a reduction that will not appear in estimates based upon the country's production, but which will nevertheless be a factor in determining the volume of business done in the country?

The problem was discussed by the chairman of one of the New York city banks in his annual address the other day, and he definitely warned both the government and the business world not to rely upon an indefinite continuance of a rise in the stock market. Both the government and the business world should consider the possibility of a reduced national income when profits from capital appreciation are reduced, he said.

In Canada we are faced with a long period of increasing production—or at least all the signs point in that direction—and we may anticipate that it will not be long before the actual productive revenues of the country will overtake any loss in purchasing power that may result from a diminution in stock market profits made available for day to day or luxury purchases. This in turn will lead to larger dividends by railways, industrial corporations, public utility companies and other institutions in which investors are interested and this increased distribution of national profits will be another factor in offsetting the decline in the yearly amount of capital appreciation.

Nevertheless, the time will not be long coming when International Nickel will no longer be paying for $30,000 houses, $8,000 motor cars and $1,000 golf club fees. When that time comes, those whose business has been unduly inflated by large orders from successful market speculators will have to cut their garments off a bolt that has been put through a shrinking process.

MUST DIG IN

THE steadily increasing volume of business in Canada creates new opportunities for Canadian business, but it also creates new problems in competition. From the west, for example, comes the story of an English manufacturer of a product mainly made of steel, who has made largely increased sales during the past year. Formerly there did not appear to be enough business in sight to justify the maintaining either of supplies or repairs in the West, and his salesmen could make little headway against articles supplied and serviced from Western cities instead of from England. Last year there seemed to be enough business in sight to justify going after it in earnest, and a supply of his goods, and a stock of repairs, were established in Winnipeg. As a result, he secured a considerable volume of orders, and the houses handling similar goods manufactured in Canada and the United States found the competition severe.

It is probable that a similar situation could be found in many different lines. The Canadian market, when below a certain size, might not warrant cultivating, but once let it pass certain limits and it is exposed to world-wide competition. There may be a tariff moral to be drawn from this, but that is not the present intention. It is merely to suggest that one manufacturing or distributing goods in Canada is safe in feeling such competition has not previously been felt, and that the maximum in value and in distribution efficiency will be necessary to hold the Canadian market in future. It sounds well to say that "the eyes of the world are on Canada." It means the same thing, but the emphasis is changed, to say the eyes of business men abroad are on the Canadian market.

And that brings up the matter of advertising. The Canadian manufacturer who would hold his own in the Canadian market needs to make good use of advertising in Canadian publications addressed to those who control the spending of Canadian money.

MAPS THAT COME HOME

SINCE The Financial Post published its recent Labrador number various people have expressed considerable amazement at a statement in that issue to the effect that Canada has, at various times, published official maps giving the location of the Labrador boundary substantially as it was later claimed by Newfoundland and confirmed by the Privy Council. While the statement has not been directly challenged it has obviously been received by some folks with a certain amount of skepticism, amounting almost to incredulity. But the facts are a matter of record, in extended form, in the bound volumes of the evidence before the Privy Council and, in brief, in the published award of the Privy council itself.

A map prepared in 1855 on instructions of the government of Canada for the Paris Exhibition gave the boundary line substantially as since awarded. Another Canadian government map prepared in 1858 for a House of Commons committee also forecast the Privy Council's decision. A further map in 1871 and one made in 1873 for the British ambassador at Washington followed the present boundary and an order-in-council by the Canadian cabinet declared the boundary to follow the height of land as later claimed by Newfoundland and disputed by Canada. Subsequently several other maps published under government authority provided further significant evidence to be used by Newfoundland. It was not until 1900 that the Canadian government map makers began to change their ideas as to the location of the boundary line, moving it indefinitely nearer the shores of the Atlantic.

The Privy Council states in its judgment, which lists all of the offending maps: "The maps referred to, even when issued or accepted by departments of the Canadian government, cannot be treated as admissions binding on that government, for, even if such an admission could be effectively made, the departments concerned are not shown to have had any authority to make it. But the fact that throughout a long series of years, and until the present dispute arose, all the maps issued in Canada either supported or were consistent with the claim now put forward by Newfoundland is of some value, as showing the construction put upon the orders-in-council and statutes by persons of authority and by the general public in the Dominion."

It is valuable to call attention to these circumstances for two reasons: One is that there is still a tendency in some parts of Canada to consider the Newfoundland Labrador boundary award as a big "steal" by Newfoundland. The second is that it is never safe for a government to be careless in the mapping of any area no matter how barren and hopeless it may appear to the current generation. When the Canadian government issued these early maps it probably had no idea that the territory in question would in such a short space of time present itself as an area capable of great development and wealth production. The work to-day of Capt. Bernier in putting on the map of Canada 500,000 square miles of ice-bound islands in the Arctic Ocean may some day bring rich fruit to the nation's treasury.

CREDIT WHERE DUE

THE Financial Post has had brought to its attention a bulletin issued by the Citizens Research Institute of Canada as far back as November 30, 1921—more than seven years ago. In this bulletin, which deals with the problem of recurring periods of unemployment, discussion was initiated on the idea of unemployment prevention by the building up of reserves of government work.

The bulletin asks, "When we know that periods of unemployment occur about every seven years, is it not reasonable to expect that municipal, provincial and national governments, in close co-operation should begin immediately after the lifting of the present depression (readers will remember that there was depression in Canada in 1921) to establish a pool of work with funds for the work, to meet the next emergency when it confronts us from seven to ten years hence?"

At the present time American government and business leaders are giving very serious attention to this problem and it is likely that the United States government will experiment with the planning of its public works program along the lines of having the bulk of the work done when employment generally falls off.

It is pleasing to pay tribute to a Canadian organization for having been so far-sighted in discussing this question before it received general attention, especially as we are informed that the germ of the idea appeared in somewhat hazy form in a series of unemployment bulletins issued by the Toronto Bureau of Municipal Research in 1914, before the Citizens Research Institute was formed. Horace L. Brittain is managing director of both bodies.

EDITORIAL NOTES

IT ISN'T the heat; it's the frigidity.

* * *

TORONTO built no more houses in 1928 than it built in 1927. But it built 125 apartment houses. Torontonians are turning to cliff-dwelling.

* * *

"NEVER SAG"—a mattress stock—jumped from £1 to £9 in London and then promptly belied its name. Last quote was 37s 6d.

* * *

THOMAS A. EDISON has had his teeth out. Getting the bill for the new ones probably started him on his quest for a cheaper rubber supply.

POST-scripts

THERE is a club in Toronto that decided some time to make important additions to its recreational plant. The money was raised among the members, who took stock in the club for their investment, and—as all good club members do—immediately wrote the investment down to nothing. Then came a hitch in the plans; the money, it was found, would not be used for some little time and the canny board of directors decided to invest the money while the new plans were being prepared. They bought International Nickel.

By this time the readers of this item are probably ahead of the story and they are right in their guess as to what happened. The club refunded to every member the amount he put up for the new extension to the club and the extension was built out of the profits on Nickel.

THE first annual report of the Diversified Standard Securities, an investment company in the securities of the Standard Oil group, says: "the managerial fees for the first year have been $1, your directors having served without remuneration."

The president in his report, though, failed to make any reference as to how this sum of $1 was expended. His statement is contradictory.

If the managerial fees for the year amounted to $1, each of the 13 directors must have received 7.5 cents each. The conductor of this column feels that the $1 fee might well have been increased so that the directors should have at least received 8 cents each, which would not have bought a book of verse or a jug of wine but would have bought a small loaf of bread.

Other People's Views

The Value of Salesmanship

Daily Mail, London: We publish today a summary of the weighty report which is issued this morning by the Department of Overseas Trade on the conditions and prospects of British trade in India. Its main importance lies in the emphasis which it lays upon the necessity for an improvement in British methods of salesmanship.

This is, we believe, the tenth successive year in which these reports have dwelt on this particular weakness in our business organization. In the meantime the British proportion of manufactured imports into India has been slowly declining. It was 76 per cent. before the War but in 1926-7 it fell to 65 per cent., a loss of 11 per cent. in a few years.

Only a week ago the Duke of York drew the attention of the public in Great Britain to the need for a special business training in this very matter. It is already the subject of consideration by a committee which was recently appointed and which is studying the goods. Salesmanship is an art in itself and like other arts requires study. There could be no greater delusion than to imagine that the essentials are simply bounce and an undisciplined use of the imagination.

Goods do not sell themselves; and Mr. Samuel, the Minister of Overseas Trade, has very rightly said that there are two reasons why in some markets British goods are not obtaining all the custom which they should; because our prices are too high or our selling skill too low. In India, British manufactures have to compete with goods made by foreign countries which may be of greatly inferior quality but can often be sold well below the price of our goods and which serve their purpose so far as the Indian customer is concerned. One of the problems of our Indian trade is to convince the Indian consumer that the dearer British article is "worth while."

A fresh complication has arisen in recent years. A generation ago the British merchant in London shipped British goods to the Indian market. But then the British merchant began to discover that he could make more profit by shipping cheaper foreign goods and he sent them out. Finally the last stage in the development is taking place by which the foreign manufacturer or merchant is eliminating the British merchant altogether and is shipping his wares direct. It is with this situation that our industrial leaders have to deal and it demands very special effort on their part.

It is the British habit of mind to overcome difficulty and this difficulty must and will be overcome. With special training for salesmanship in our technical colleges and universities expert instruction could be given and this would help. But it has undoubtedly become necessary for our business leaders themselves to obtain personal knowledge of the markets which they are endeavoring to conquer. The absence of this personal knowledge which nothing can replace has been the subject of criticism in many previous reports on the state of our foreign trade. To remedy it has become a vital necessity if our industries are to hold the proud position they have won in competition with the whole world.

Supports Canadian Stand

Commerce and Finance, New York: The "liquor parley" has been fruitless, Canada declining to do more than she is doing to help us suppress liquor smuggling and intimating that we should make a more sincere effort than we have yet made to enforce our law ourselves. Our trade policy is not one well designed to secure Canadian cooperation in anything, and it is not surprising to hear that a differential duty of 50 cents a bunch has been imposed on bananas imported via the United States; also that Boston and New York trade will be adversely affected thereby. The Royal Bank of Canada urges, if our tariff on Canadian products be increased, that this be met by further preferentials on British goods. Yes, as Abe Lincoln said "Every fellow ought to skin his own skunks."

Alarming If True

Wall Street Journal, New York: "American farmers must organize or starve," said E. B. Ramsay, manager of the Canadian wheat pool, in a United Press interview. This statement would be "alarming if true," but fortunately for the United States it is not true.

Canada's wheat pool, like other "noble experiments" is not yet a demonstrated success. It has been in operation five years, its membership has increased and consequently the amount of 'business transacted has grown also. But all Canadian interests have not yet agreed upon its success. The value of such an organization must depend upon the net results obtained by it.

"Daddy, what is dew?" asked Bobby. "The rent, the note at the bank, and the instalment on my car," growled his dad.

Burton Suggests Provinces Take Over Settlement Work from Dominion Authorities

By C. L. BURTON, retiring president, Toronto Board of Trade, in annual address

One is impressed by the varied forms of assistance to emigration being brought forward by responsible bodies in the Old Country. However, commendable these measures may be from the standpoint of the Old Country, may I suggest that it is an error of policy for Canada to offer financial assistance to those available for settlement in Canada. In my opinion, we should refrain from subsidies in any form.

Canada's immigration policy, however, should be recast so that settlers may be brought to points where they are needed. Settlement should be on a basis which reasonably ensures success upon proper effort being made by the settler.

Under the British North America Act, immigration is the prerogative of the federal or provincial authorities. May I submit, however, that, aside from necessary general regulations, the immigration field should be left to the provincial authorities in Canada, rather than, as at present, largely under the federal authority.

General Principles Only

Could we not improve our present situation if, under federal law and administration, only general principles were applied?

There undoubtedly are safeguards which are necessary no matter what part of Canada is involved. There should be common standards relating to the mentality, physical fitness and moral and social status of the incoming settler. We should protect ourselves federally against diseased, mentally unfit and criminally-experienced persons.

Having adopted this federal policy all other immigration and settlement law and administration would become a provincial affair. It would be up to the provinces to set their own standards, make their own laws and set up their administration according as each province found need for newcomers and made ready for their settlement.

Successful Settlement as Aim

This change in policy would doubtless require the federal government to hand over their natural resources to the western provinces and that such resources upon equitable terms should become the property of the province and be controlled and administered by the province. So far as Ontario is concerned, we have possession already of our own natural resources and we could do much with little change in the present law to establish a vigorous settlement plant.

Instead, however, of this province joining in schemes to bonus or assist intending emigrants to come to Ontario, our government should formulate a settlement policy based upon the idea of preparation for successful settlement. In the older settled portions of the province, the problem is comparatively simple, but in Northern Ontario and in the farther northwestern sections, we have need for a radical departure.

Recent news items suggest that British or other immigrants were to be settled upon abandoned farms in these new districts. No more unfortunate policy could be put into effect. This year the northern sections of the province have had a poor year, agriculturally, and the question is raised as to the solution of the problem of early planting and early maturity of all crops. It is surely sufficiently demonstrated that "straggling" settlement is a mistake. Widely separated individual settlers cannot succeed—neither will a "ribbon" of settlement along existing railways or highways be successful.

The problem is one of roads and drainage on the one hand, and authoritative experimental work, including scientific research, on the other.

In the Rainy River area there are hundreds of thousands of acres awaiting drainage. There is, however, no experimental farm in the whole area. The fact is that "hit and miss" settlement has failed and has resulted in perfectly good farms being abandoned.

Settlements in North

In the northern clay belt, settlement should be brought into concentrated areas — into townships known to be of good agricultural land. There are hundreds of square miles of such land, but before being opened for settlement roads should be built, both paralleling existing roads and railroads as well as at right angles to such existing highways. This plan of roads will be the basis of proper drainage, without which the land cannot be successfully cultivated.

At Kapuskasing there is a Dominion experimental farm, and its lessons should be available to every settler in our great north.

Given such an intensive settlement policy with good roads, drainage, crop demonstration work and practical supervisors to assist the settlers, we should be able to absorb thousands of newcomers each year for many years. The road building and drainage work would profitably employ the newcomers in the early years of their settlement.

The great volume of increased production from our 20,000,000 acres in Northern and Northwestern Ontario, would have a profound effect upon our whole economic situation, would enable our railways to pay their way even at reduced rates, would cheapen the cost of living, and thereby stimulate all our primary development in that great area.

The plea I am putting forward is for preparation for settlers.

Travelling Demonstrations

This province has always been an outstanding success agriculturally, and it is because we have more than simply good lands for agricultural purposes, in the older parts of the province. The development of roadways and drainage and of scientific agricultural methods and diversity of enterprise, has been responsible for old Ontario leading agriculturally. The story of the extension throughout older Ontario of agricultural demonstration and experimental work is a romance in itself. What has made old Ontario great agriculturally should be adopted as the policy for Northern and Northwestern Ontario. In the newer districts, travelling demonstrations could be sent to the various newly-established settlement townships. It is very doubtful if, in the absence of preparation for settlement such as is here suggested, any number of experienced farmers from the older and successful parts of Ontario could make a success of agricultural enterprise in the newer districts, unless the handicaps due to the lack of provision of roadways, drainage and lack of active, regulated scientific assistance, by means of courses and extension work by demonstration farms, should be made available, so as to make the work done of such a standard as would have the promise of success. It is such success that would prove to be the magnet for further new settlement.

Fables in Finance

The Fable of the Man Whose Needs Were Too Reasonable

By JOHN DUKE

The Inventive Genius waited outside the door of the Mighty Magnate. Seated beside him on the mourners' bench were a Spendthrift Young Man and a Man with Options in his Pocket. There was a Conference on in the Magnate's office. They knew there was a Conference on, first, because the Young Thing at the inquiry desk said so and, second, because they had to wait so long. Finally the Magnate's friend left and the Magnate's mind turned from golf scores to Business. He summoned the Spendthrift Young Man, who came out a few minutes later with a smile on his face. The Man with Options in his Pocket went in and in half an hour he came out, also with a happy if determined look on his face. The Inventive Genius had his chance.

"I'm very busy but—" hinted the Magnate.

The Inventive Genius unrolled his diagrams. "I have here an invention that will revolutionize the manufacture of tassels for bridge lamps," he began and launched into Facts and Figures.

The Mighty Magnate had gotten that way by always being two jumps ahead of the other fellow.

"The thing's good," he said. "How much do you need to start a factory?"

"Fifty thousand dollars," said the Inventive Genius, trying not to show his timidity.

"I'm sorry I can't let you have it," said the Magnate and he turned to his desk.

"Is it too much?" asked the Genius.

"No, it's not enough," and the manner in which the Magnate said it seemed to indicate that the interview was over. The Genius sadly rolled up his plans and, crushed in hopes, left the throne room of this pallazo of business. He quickened his step to catch up with the Spendthrift Young Man and the Man with Options in his Pocket.

"Did you get what you wanted," he asked them.

"Oh yes, I wanted to borrow five thousand and he gave it to me. Told me not to bother paying it back," said the S. Y. M.

"I wanted five million to finance a merger and he said he'd underwrite the issue," said the M.W.O.I.H.P.

The Inventive Genius sadly walked on to toward the office of the next Mighty Magnate.

MORAL.—A lot of money is a relative term.

Stop Me If You've Heard This One

Angus fell in his cistern. The water was eight feet deep, and cold, but Mr. MacPherson could swim. His wife, discovering the situation, yelled excitedly down to him: "I'll ring the dinner bell for the boys and they'll come in and pull you out." "What time is it?" asked MacPherson. "About eleven o'clock," said his wife. "No," said MacPherson, "let 'em work on till dinner time. I'll swim around till they come."

Canadian Government
Provincial, Municipal
and
Corporation Securities

R. A. DALY & CO.
LIMITED
BANK OF TORONTO BUILDING
TORONTO

R. A. DALY, *Member*
Toronto Stock Exchange

Tri-Continental Corporation

An Investment Trust

Tri-Continental Corporation has been recently incorporated by Messrs. J. and W. Seligman & Co., an old and successful firm of international bankers in New York. We believe both the 6% Cumulative Preferred and the Common shares to be attractive in their respective classes and advise their purchase at the market.

Descriptive circular upon request

Cochran, Hay & Co., Limited
Dominion Bank Building, Toronto

J. STRATHEARN HAY, *Member, Toronto Stock Exchange*
HAMILTON LONDON KITCHENER WINDSOR

Rambling Notes of an Advertising Man

Writing advertising is as fascinating a job as getting and writing a good news story. I know, having done both.

* * *

I have never written an advertisement that somebody couldn't find or hasn't found fault with. On one occasion two men called me out of bed in the early morning to condemn an advertisement I had written; later, others telephoned to praise it. So there you are.

* * *

There is no formulae for creating good advertising. Anybody may turn out a few good advertisements, but it takes training in the art and the craft, plus some natural aptitude for the job (selling instinct if you like) to do good work continuously. Art, to say what should be said with conviction and brevity; craft, to display it to advantage in a limited space and to attract the attention of the right people. Anybody can be bold on a full page—which may be turned over.

* * *

The way I go about writing copy is first, to decide who the advertising is designed to reach. It's sheer waste to attract the attention of the WRONG people. Let me illustrate:

A few years ago a competitor made a high pressure canvass on one of my customers. The customer called me over to his office and said, "Scissors and Paste say they can do so and so. The proposition looks too good to us to turn down." I said, "All right. I can't do it, but if they can, they certainly deserve your account." So I turned over all my customer's newspaper space contracts to Scissors and Paste and they went ahead.

This is what happened.

Scissors and Paste produced large space copy with big illustrations and offered a handsome booklet for nothing (the booklets cost about 30c each). They put a coupon in the advertisement to make it easy for people to answer. Result—hundreds of inquiries. Splendid. Inquiries then turned over to salaried salesmen (not commission men) to follow up. Salesmen discovered inquirers were school children and professional advertisement answerers of the "something for nothing" type. This went on for two months. Meantime the advertiser had spent about six times his normal monthly appropriation and his salesmen had wasted valuable time and considerable money following up duds.

The business came back to me.

* * *

Apart from mail order and retail advertising, if the average advertiser checked up sales directly traceable to his advertising and balanced the profit on them against the cost of advertising, he would never spend a penny on publicity. Nevertheless, canvassers for all kinds of advertising media still have the nerve to talk about "the results" advertisers will get from using their media. Rubbish!

Have you ever written to a soap manufacturer to tell him that henceforth you are going to use his soap?

It's the long, steady pull that does it.

* * *

If you haven't the wherewithal to keep on advertising don't start. Or, to put it another way, it's better to do a modest amount of advertising in a limited area and keep at it and expand as your business warrants, rather than try and spread out all over the Dominion and exhaust your money before the advertising has had time to take effect. Nobody's going to stand up and cheer just because you start advertising.

But you can start in a small way. For example: Ten years ago I took on a small account and gave the advertiser three months' dating on a $1,000 expenditure in order to do some particular advertising in a limited territory at a psychological time. Over a period of years that customer grew to spend about $40,000 a year for publicity, and every dollar was earned out of profits from the steady growth of the business. But if you asked me to name one piece of advertising in one medium that sold 25c worth of his product I couldn't do it, neither could he. All we know is that the business has grown rapidly whereas before the advertising was started, it had hardly crept. Maybe it wasn't the advertising at all—perhaps it was luck. Just plain good luck for both of us.

* * *

Let me give you another example.

Many investors buy new securities not because they are capable of analyzing the financial prospectus of a new issue, but because they have confidence in the reputation of the Investment Bankers offering it. Why have they this confidence? They couldn't tell you, perhaps, but over a period of years they have seen and read some of that Investment Banker's advertising and its name has become associated in their minds with sound investments. So when they have funds to invest, they reason that if the particular security then being offered wasn't sound, that firm of bankers wouldn't be offering it. True, a salesman for the bankers may make the sale, and perhaps never even think that his firm's advertising has had anything to do with it. And the buyer himself won't mention it. But advertising is partly responsible just the same.

Sometimes I am asked how it is that firms can afford to spend tens of thousands of dollars advertising a five, ten or twenty-five cent article. They can't trace direct returns. I answer by this illustration: Years ago I read one of Jim Henry's advertisements for Mennen's Shaving Cream. I bought a tube and have been buying and using it ever since. Here's a better one. When we first came to Toronto an order was telephoned for bread to a baker then advertising. There were only two of us then. Now there are nine people eating bread in my house every day. So figure how much business that baker has had over a period of seventeen years from one answer to that advertisement.

* * *

Beware of catch words such as consumer demand, dealer influence, dominance, merchandising and the like, used by people who have advertising to sell. The smaller their knowledge of advertising, the more they use them. It is a pity that this should be so—but it is.

Sometimes I feel like explaining to a prospective customer that I am a business man first and an advertising counsellor afterwards. At any rate, I don't let my experience with successful and unsuccessful advertising befog my business judgment.

* * *

If you are of a mind to discuss your 1929 advertising plans with me, with a view to doing business, I shall be pleased to wait upon you—by appointment.

330 BAY STREET,
TORONTO
Phone:
ADelaide 6222-6207

Thornton Purkis

Branches at
Montreal & Winnipeg

Advertising
Counsellor

Background of Business

Weekly Review of Canadian Conditions

CONDUCTED BY JOHN E. LANGDON

Domestic Market Takes Larger Share of Production
Industrial Situation Presents Healthy Appearance
Maintenance of Rural Buying Power Is Looked For
Large Volume of New Building Expected This Year
Many Companies Provide Against Stock Market Break

THE last two and a half years have witnessed an amazing volume of production among Canadian industries. Old standards have gone overboard. Comparative figures are interesting, but they do not bear the same significance or importance as in other years when progress was measured along orderly lines.

What the current year will bring to Canadian business is a question that is being asked with more frequency. The development that has taken place has not been accompanied by inflation; demand being sufficient to take care of the greatly increased supplies. If the rate of growth of the past two years is continued during 1929, however, there is a well-founded doubt that the market will not be able to absorb the increased output.

On the other hand the trend of business of late has not followed along orthodox lines. The usual indices of trade have proven unreliable in the majority of instances and the business man is perforce obliged to take conditions as he finds them.

As far as one can judge at the moment, there is no need to fear a major setback of business in the next twelve months, but developments may arise which may signify a slowing up of the present enormous rate of production.

Five General Factors

There are five general factors which should be taken into consideration in surveying the outlook for 1929. One of these—and a most important one—is the ability of the domestic market to absorb production without allowing stocks on hand to get beyond a dangerous point. We have had no increase in population during the past decade which would warrant a natural increase in the consumption powers of the country, but we have had a greatly increased per capita buying power.

It is to be doubted if any other nation in the world, even including the United States, has the purchasing power of Canada on a per capita basis. Last year, it is estimated that the average income of Canadians amounted to nearly $700 per capita. The influence of this new wealth upon business in general in a country of less than ten millions of people, can be readily appreciated. Furthermore, the standard of living in the Dominion is as high as anywhere else in the world, with the result that the volume of consumption reaches a scale undreamed of in some of the older countries.

Absorption Powers Greater

A fact that should not be overlooked is that the increase in production since 1926 has been largely taken care of by domestic demands, and not by export demands. While shipments to overseas markets have advanced appreciably, the increase has not been sufficient to account for the greater production. Hence the present activity of Canadian industry is to a very large extent dependent upon the prosperity of the home market.

A survey of industry only leads to favorable conclusions. While one or two of the major lines of activity are not as strongly intrenched as might be expected, the general situation is a healthy one.

Much Business Ahead

Taking the principal "heavy" industry—iron and steel—one finds sufficient business on hand to keep the majority of plants working during the greater part of the year. Contemplated work assures the placing of a good volume of business between now and mid-summer. The railways have placed a number of orders—the most important for some years; the automobile industry is turning out vehicles on a larger scale than ever; the demand for farm implements and machinery is of record proportions. And so on down the line.

There is plenty of business on hand, more in sight, and no apparent signs of a recession for some time to come. The healthy industrial situation is reassuring and warrants more optimism than is generally expressed.

Maintain Building Record

Along with the industry goes new construction. The past year was the greatest Canada ever experienced in the volume of new building. Much money was spent on office buildings in the larger cities. That there has been a need for this type of building is only too evident.

Residential building also accounted for a large share of the building undertaken last year. But on the other hand there were fewer engineering projects, i.e., the building of plants, mills, factories, etc. Public building was on about the same level as in 1927.

At the end of 1928, the value of contemplated new building had reached a record figure. If the percentage of new work undertaken this year is in the same ratio as the actual contracts let last year bore to the contemplated work, then the construction industry and allied trades should experience no let down in activity over the next twelve months.

That this seems likely is apparent from reports at hand. There is more winter-building this season than possibly ever before. A number of large projects have been undertaken with completion at a specified time, so that there has been less seasonal contraction than in other years.

Look to Agriculture

Business in this country is inevitably bound up with agriculture. While great progress has been made along industrial lines, the purchasing power of nearly half of the total population and activity of many of the large industries, is bound up in the prosperity of this industry.

During the last three years, the monetary returns from agriculture have been above the average. The financial position of the farmer has been greatly strengthened and generally speaking, the rural population of the Dominion is in an advantageous position.

The drop in values of grain and grain products over the past six months has affected the revenue of the farmer. This has been partially offset by much larger yields.

It is useless to attempt to estimate the position of the farmer at the end of this year. Another large grain crop is not necessary for the maintenance of rural buying power; a smaller crop of better quality is to be preferred.

Given a fairly satisfactory season during 1929, the buying power emanating from the rural districts in the latter part of this year and well on into 1930 will assume far wider proportions than in the past twelve months.

If there is any factor in the present situation which might be called adverse to business, it is the large amount of money being tied up in stock market speculations. During periods of prosperity this is not an uncommon phenomenon, but unfortunately it has only too frequently been attended with disastrous after effects.

The enormous advance in value of many stocks has taken a hold upon the public fancy which has resulted in speculation on a record scale. Naturally the banks have closely watched the situation and have seen to it that the proportion of funds out on call loans has not impaired the credit facilities for legitimate commercial transactions.

Despite the tightening up of loans, more and more money finds its way to the stock market. In many instances the demand has caused stock values to become highly inflated and a readjustment is inevitable. Just what form it will take and how business will be affected, remains to be seen. Fortunately the ably-managed industrial companies have been building up large reserves out of their increased earnings, to take care of recessions so that what readjustment is necessary to bring stock values down to a normal level, may have much less effect on business than is generally anticipated.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Latest 1928	Latest 1927	Cumulative for Year 1928	Cumulative for Year 1927
Weekly				
Car Loadings (Jan. 12, '29)	57,051	66,528	103,243	116,528
Stock Index (Jan. 10, '29)	915.1	999.0	......	......
C.P.R. Gross Earn. (Jan. 14, '29)	$ 3,436,000	$ 3,429,000	$ 6,807,000	$ 6,635,000
C.N.R. Gross Earn. (Jan. 14, '29)	$ 3,814,948	$ 4,423,012	$ 7,397,792	$ 8,200,909
Monthly				
Production—				
Pig iron, tons, (Dec.)	103,450	63,197	1,037,535	709,697
Steel, tons, (Dec.)	103,054	96,248	1,240,214	907,638
Newsprint, cwt. (Dec.)	208,484	181,600	2,381,102	2,086,949
Automobiles (Nov.)	11,769	6,617	232,957	175,948
Boots and Shoes, pr. (Nov.)	1,289,758	1,408,979	16,500,018	16,319,997
Flour, bbls. (Oct.)	2,130,000	2,005,000	15,502,000	13,815,319
Construction—				
Building Permits (Dec.)	$ 16,742,139	$ 11,755,566	$ 220,265,100	$ 184,618,742
Contracts (Dec.)	18,905,200	36,682,000	472,032,600	418,951,600
Labor—				
Employment Index (December)	116.7	106.8	......	......
Trade—				
Imports (December)	$ 94,620,925	$ 83,262,695	$1,222,317,916	$1,087,117,930
Exports (December)	$ 130,847,423	$ 130,277,157	$1,349,751,403	$1,218,336,773
Imports of Key Products—				
Rubber, lbs. (Nov.)	6,270,000	4,292,000	62,352,000	53,988,000
Cotton, lbs. (Nov.)	16,955,000	11,987,000	116,702,574	104,576,458
Sugar, cwt. (Nov.)	823,274	657,799	8,637,236	......
Petroleum, gals. (Nov.)	15,397,947	15,966,366	330,551,154	......
Coal, tons, (Nov.)	1,890,020	......	16,045,728	......
Exports of Key Products—				
Newsprint, cwt. (Nov.)	3,923,734	3,599,372	......	......
Automobiles, No. (Nov.)	4,906	2,403	63,737	51,121
Wheat, bush. (Dec.)	49,088,963	44,808,700	365,428,561	255,062,125
Wheat flour, bbls. (Dec.)	922,965	956,762	10,737,266	9,262,936
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,438,880	1,313,834	14,461,151	12,848,668
Population—				
Emigration (Sept.)	7,538	9,542	......	......
Immigration (Oct.)	8,041	9,433	......	......
Finance—				
Failures, No.	......	......	1,863	1,993
Failures, Liabilities	....	....	$ 36,451,242	$ 26,056,208
Bank Debits (Nov.)	$4,431,843,134	$4,150,724,796	$39,606,026,909	$31,819,425,196
Bond Sales (Dec.)	$ 55,475,676	$ 16,711,620	$ 439,516,296	$ 617,266,673
Insurance Sales (Oct.)	$ 55,743,000	$ 48,104,000	$ 468,107,000	$ 408,302,000
Wholesale Prices (1913-100)—				
General Index (Dec.)	146.7	151.8	......	......
Iron	140.5	141.1	......	......
Cottons, raw	155.8	159.7	......	......
Grains	137.2	159.7	......	......
Cattle	134.5	140.4	......	......
Rubber	35.7	65.0	......	......

Wider Steamship Service

Steamship companies engaged in carrying passengers across the Atlantic between St. Lawrence and North European ports have an ambitious programme for 1929, as no less than 405 passenger sailings on this route have been scheduled by the three leading steamship concerns operating from Montreal and Quebec. There will be 179 arrivals and 179 departures from Montreal, 24 arrivals at Quebec and 23 clearances. Twenty-seven passenger liners will be employed on this route.

ANGLIN - NORCROSS
(LIMITED)

Contracting Engineers
and Builders

MONTREAL : TORONTO

Property Corporation
OF CANADA LIMITED
Real Estate : Mortgage Loans
1409 Peel St., Montreal
John J. Fitzgerald, President
Chester M. Martin, Gen. Sales Man.

Building
at
Reasonable Cost

We specialize in the erection of large buildings — office, hotel, store, apartment, etc.

The wonderful reputation this firm has acquired as engineers and builders was earned by many years of service.

Let us work on your building problem.

J W BUTLER COMPANY
LIMITED
ENGINEERS BUILDERS
[illegible]
ROYAL BANK BUILDING
[illegible]
TORONTO 2 CANADA

Consolidated Oka Sand & Gravel
Company Limited

BRICK CORE MOULDING
SAND
CONCRETE ASPHALT PLASTER

WASHED RIVER SAND
PIT SAND AND GRAVEL
Truck and Rail Deliveries

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248 McCord Street. MONTREAL, Que.

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BELMONT HOUSE-VICTORIA, B.C.
GRESHAM HOUSE, OLD BROAD ST.
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Inquiries Invited

New Issue

$4,500,000

Dominion Tar & Chemical Company
Limited

6½% Cumulative Preference Shares

Preferred as to capital and dividends. Cumulative dividends at the rate of 6½% per annum will accrue from February 1st, 1929, and will be payable quarterly. Redeemable as a whole or in part, at the option of the Company, on sixty days' notice, at 110 plus accrued and unpaid dividends to date of redemption. Non-voting unless four quarterly dividends shall be in arrears and so long as any of such dividends remain unpaid. Transfer Agent—Montreal Trust Company. Registrar—The Royal Trust Company.

Application will be made in due course to list the Preference Shares and the Common Shares on the Montreal and Toronto Stock Exchanges.

For detailed information, we refer to the circular containing letter from L. O. P. Walsh, President, (to be elected) which has been summarized in part as follows:

The Company

Dominion Tar & Chemical Company, Limited, (new Company) will be incorporated under the laws of the Dominion of Canada and will acquire the entire assets, business and undertaking of the present company of the same name, including its investments in subsidiary and associated companies. The new Company will then own more than 84% of the outstanding capital stock of Canada Creosoting Company, Limited, (over 16.5% of which has recently been acquired by the old company); and 74% of the outstanding capital stock of Alexander Murray & Company, Limited. Over 45% of the outstanding common shares of Alberta Wood Preserving Company, Limited, have recently been acquired by Canada Creosoting Company, Limited. Canada Creosoting Company, Limited, also owns more than 85% of the outstanding capital stock of Vancouver Creosoting Company, Limited.

Nature of Business

The business of Dominion Tar & Chemical Company, Limited, (old company) has been in continuous and successful operation for more than twenty-five years. Operations include the distillation of tar and the sale of its by-products—creosote, briquetting pitch, carbon pitch, road tar, etc.

The Company and its subsidiaries will control substantially all of the creosoting industry in the Dominion of Canada. Operations include the creosoting of railway ties, piles, poles, bridge timber, wood blocks and other lumber, the business having entered into contracts with the Canadian National Railway Company; Canadian Pacific Railway Company; Toronto, Hamilton and Buffalo Railway Company; Algoma Eastern Railway Company; and the Napier Junction Railway Company.

Alexander Murray & Company, Limited, distributes a complete range of building materials, including tarred felts, sheathings, prepared roofing, insulating boards, slate, etc.

Earnings

Messrs. Price, Waterhouse & Company, Chartered Accountants, have examined the books of Dominion Tar & Chemical Company, Limited, (old company) and its subsidiaries for the three years and eleven months ended November 30th, 1928, and their report shows that net earnings (after all operating expenses and after elimination of earnings applicable to minority shares of subsidiaries outstanding in the hands of the public) available for Debenture interest, depreciation, preference share dividends and income taxes were as follows:

Year ended December 31st, 1925	$ 957,082
Year ended December 31st, 1926	1,184,183
Year ended December 31st, 1927	1,326,180

Based on corresponding net earnings for the eleven months ended November 30th, 1928, as reported by Messrs. Price, Waterhouse & Company, Chartered Accountants, officials of the old company estimate that:

Net earnings for the year ended December 31st, 1928, after depreciation and after giving effect to London Office expenses, now eliminated, will be not less than	$1,036,779
Deduct: Interest on Debentures of Series A	240,000
	$796,779
Deduct: Provision for Federal Income Taxes	63,582
	$733,197
Annual dividend requirements on Preference Shares now to be issued	$292,500

Assets

Land, plants, buildings and equipment, including those of subsidiaries, have been examined by Ford, Bacon & Davis, Inc., Engineers, New York, who, in their certificate of January 10th, 1929, have appraised the commercial value of the properties and businesses, including working capital, at not less than $9,000,000 after deducting minority stock interests.

Working Capital

According to the Consolidated Balance Sheet of the Company and its subsidiaries as of November 30th, 1928, certified by Messrs. Price, Waterhouse & Company, Chartered Accountants, combined net current assets of the Company and its subsidiaries, after deduction of all current liabilities, amounted to $1,723,697.

Capitalization
(Upon completion of organization)

	Authorized	Outstanding
Debentures	$7,500,000	$4,000,000*
6½% Cumulative Preference Shares	7,500,000	4,500,000
Common Shares (no par value)	300,000 Shares	230,000 Shares†

*Of Series A, 6%.
†The Company will reserve 20,000 unissued common shares for issue from time to time to holders of $4,000,000 6% Debentures, Series A, exercising common share purchase right attaching thereto.

We offer the Preference Shares of this issue, subject to prior sale, for delivery, if, as and when issued and accepted by us and subject to the approval of Counsel, at

Price: $100 per Share and accrued dividend
with Bonus of five shares of Common Stock with every ten Preference shares

Fractions of Shares of Common Stock will be adjusted at $25 per share.

Wood, Gundy & Co.
Limited

Greenshields & Co.

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Preference Shares. We do not guarantee, but believe the statements herein made to be true.

Pulp & Paper

Quebec Pulp and Paper Finds Market Depressed and Far Below Cost

Groundwood Sells at Low Figure—Can Just Make Operating Costs

OUTLOOK IS GLOOMY

Price of Preferred Stock, Though, Represents Figure Equal to Working Capital

From Our Own Correspondent

MONTREAL.—The situation prevailing in the market for newsprint paper has had a decidedly unsatisfactory effect on the earnings of the Quebec Pulp and Paper Corporation. Lately, the 7 per cent., non-cumulative, non-voting, preferred shares of the company have changed hands between brokers here as low as $24. Dividends are not being paid on the shares in which there is a wide investment interest.

The outlook for the future of the company over the next twelve months does not appear to be bright. There are no factors which indicate any increase in the demand or increase in the price of groundwood pulp. The present demand for groundwood only amounts to about half the capacity of the Canadian groundwood pulp mills. Hence, the output of the corporation's three plants located at Chicoutimi and Val Jalvert, P. Q., has been only half the company's rated capacity of 500 tons of groundwood daily.

Market Is Smaller

The U. S. groundwood market has been growing smaller due to the extension of the newsprint industry in Canada, and the output of the U. S. newsprint mills has been falling off. Groundwood pulp comprises 75 per cent. of all the raw material used in the manufacture of newsprint paper. The remaining 25 per cent. is composed of sulphite pulp.

Even when the market for pulp and paper is strong, the groundwood producers, such as the Quebec Pulp and Paper Corporation, cannot reap the full benefit of the increased demand as these companies do not carry out the complete manufacturing process. Moreover, the shipping of groundwood pulp is costly. If the pulp is shipped "wet"—that is without passing through a costly drying process—it contains a large proportion of water on which freight charges must be paid. If the pulp is run through dryers to reduce its water content, this process is virtually as costly as turning the pulp into paper.

Present Price of Stock

The present price quoted between brokers for the preferred stock, though, seems perhaps to be a little over pessimistic. Even under its many handicaps, the corporation is carrying on without an operating loss. Moreover, in any attempt to assess the merits of the shares, the holders should not fail to recognize the fact that only about a year and a half ago Price Brothers & Company and the Port Alfred Pulp and Paper Corporation paid out $3,000,000 in cash for the entire common stock equity in the undertaking.

While the preferred shares are non-cumulative and non-voting, yet they represent an interest in property on which the capitalization has thrice been scaled down by reorganizations. Originally, the company carried on business under the name of Saguenay Power and Paper Company and the Chicoutimi Pulp Company. These two companies experienced thin times and the reorganization resulted in the formation of the Quebec Pulp and Paper Mills, Limited, which in turn was sold to the present company.

Outstanding Capitalization

The issued capitalization of the Quebec Pulp and Paper Corporation consists of $7,000,000 in 7 per cent., non-cumulative, preferred, and 100,000 shares of no par value which is all held by the two parent organizations.

The only securities ranking senior to the preferred shares consists of some old outstanding bonds which now only total $300,000. Hence, the preferred shares are virtually a first charge on a property having fixed assets valued on the books sometime ago at about $14,000,000.

In selling under 30 the shares seems to have discounted fully the present situation. It is true, of course, that the corporation has large assets upon which little or nothing can be realized in the way of profits until the situation in the pulp and paper industry generally improves.

Will Take Long Time

It will probably be a long while before the management will be in a position to expand the property into a newsprint producer—the logical development for the Quebec Pulp and Paper Corporation. In about two years time, though, the demand for newsprint should once again begin to creep up close to the productive capacity of the mills on this continent. At that time the parent companies will undoubtedly consider doing something to improve the position of their important subsidiary. Any increase in the price of pulp and paper in the United States would undoubtedly be reflected in larger earnings for the Quebec Pulp and Paper Mills Corporation.

Has Woods and Power

In addition to the company's three groundwood pulp mills, it owns timber limits which contain over 5,000,000 cords of freehold and leasehold pulpwood located on the Saguenay and Perribonka watersheds. Any betterment in the pulp and paper situation would, of course make the company's timber holdings the more valuable and in addition increase its revenue through its sales of pulpwood. The corporation's water power have a potential capacity of 63,000 h.p. of which 36,000 h.p. is developed.

While the company has working capital almost equivalent to the markets present valuation of the total preferred outstanding, it is to be admitted that even at the best the future outlook for the whole groundwood industry in Canada is most certainly unpromising. The company is only operating one of its Chicoutimi mills. No definite scale of operations is maintained—the mill produces groundwood for definite orders.

Ships Air Dried Pulp

As has been said, even when the demand for pulp and paper is excellent, the groundwood mills do not obtain the full benefit of bettered prices as, first, they do not obtain the full manufacturing profit; and secondly, transportation costs on groundwood are high. If the companies ship wet pulp, they pay transportation costs on the large percentage of water which is in the pulp; if they ship dry pulp, they must meet the annual interest charges on expensive drying machinery. This machinery is almost as costly as paper machinery. The Quebec Pulp and Paper Mills Corporation ships about 58 per cent. of its output as air dried pulp, thus reducing transportation costs somewhat.

The triple scaling down of the capitalization has resulted in $9,000,000 being written off the liabilities of the undertaking. All the fixed assets of the company sometime ago had a book valuation of $14,000,000. This was only an appraisal figure and depreciation charges since the formation of the Quebec Pulp and Paper Mills, the immediate predecessor company, would obviously reduce this sum by a substantial amount.

New I. P. Manager

E. A. CHARLTON,

appointed manager of the manufacturing department of International Paper Company in charge of Canadian and Northern U. S. mills.

SULPHITE PRODUCERS DOING FAIR BUSINESS

Unbleached Exports Again Increasing — Bleached Exports Larger

From Our Own Correspondent

MONTREAL.—Exports of unbleached sulphite pulp are once again beginning to increase. During 1928 exports totalled 214,127 tons as against 192,559 tons in 1927. In recent years, due to the expansion of the newsprint industry, bleached sulphite pulp exports have expanded, but the unbleached variety has more and more been absorbed by the domestic newsprint mills. Hence, for a time unbleached sulphite exports declined.

With the stagnation in the newsprint industry, the sulphite producers now find that any increase in their output must be sold elsewhere. Hence, the increase in the exports in 1928. It is satisfactory to note from the export figures, though, that the price has apparently been fairly well maintained. The dollar value of the unbleached sulphite pulp exports shows virtually a proportional increase.

From the export figures, the sulphite mills seem to be doing a fairly satisfactory business for exports of bleached sulphite pulp increased from 237,228 tons a year ago to 251,543 tons in 1928, and in addition there was a corresponding increase in the dollar value of the exports. Sulphite pulp prices, though, have been low during the past twelve months.

Wayagamack Profits by Better Demand?

From Our Own Correspondent

MONTREAL.—That Dryden Paper's net profits during the past three months were two and a half times those of the corresponding period of a year ago, indicates clearly that Wayagamack, also, in its sulphate and kraft paper operations must be making satisfactory progress.

Probably, though, Wayagamack's net profits during the same period will not have shown as great an increase as those of Dryden's as the Ontario wrapping paper producer is only really just beginning to feel the effect of its contract with the Bates Valve Bag Company.

Vickers 'Plane Plants Are Extremely Active

From Our Own Correspondent

MONTREAL.—The Canadian Vickers aeroplane business appears to be expanding steadily. The company has received an order from the Chilean government for six Vickers amphibians. The amphibian is a single engine seaplane fitted with wheels for descending on land.

Tentative arrangements for the sale of these craft were made some time ago, but the confirmation of the order has only just been received. One of the six planes is already flying, two are nearly finished and three are still under construction.

There is much activity at Canadian Vickers' aeroplane plant, as a number of Fokker super-universal monoplanes are being built. Wings for these are to be fabricated in the old machine shops, used during the war for the manufacture of ammunition, which have been renovated for the purpose. Many jigs have been installed, and the initial preparations undertaken for the production of one machine a week.

An extension to the former aircraft erection shop is being built, and Fokker fuselages are being fabricated in the upper section. The ground floor is now filled with Vedettes, several of which have been ordered by the government for operation on the Pacific Coast.

Experiments of two English scientists have proved that they can obtain a fibre from a common weed which possesses soft and lasting sheen and lustre, takes dye well, and mixes properly with silk, cotton and wool.

PRODUCERS DESIROUS OF UNIFORM PRICES

Newsprint Manufacturers Do Not Wish to See Hearst Get Cut Rate

From Our Own Correspondent

MONTREAL.—In both the United States and Canadian press have of late appeared articles indicating that the newspaper publishers would resist to the utmost any attempt by the newsprint companies to grant the William Randolph Hearst publications a different price basis from other publishers. Both the Canadian Daily Newspaper Association and the American Newspaper Publishers Association are at one on this point.

But at the moment, there seems to be no reason to presume that Hearst will pay less for his newsprint in 1929 than the other publishers. This is the one feature of the whole situation which is delaying the price negotiations amongst the newsprint producers. The newsprint companies realize full well that cut prices to William Randolph Hearst would probably involve a cut in prices to the whole newspaper publishing industry.

Moreover, all the newsprint producers are fully aware of the dangers involved in price cutting to one large customer. A proposed preferential price to the Hearst publications was the rock which wrecked completely the activities of the late Canadian Newsprint Company which handled the sales of a large proportion of the Canadian mills. The newsprint manufacturers are not unmindful of the sorry state of that selling agency following the attempt to conclude a deal with Willian Randolph Hearst on a cut price basis.

Pulpwood Exports Are Now Declining

From Our Own Correspondent

MONTREAL.—Despite the oft expressed thought that exports of Canadian pulpwood permit the U. S. paper mills to operate in favorable competition with the Canadian mills, exports of pulpwood from this country in 1928 were marginally lower than in 1927. The 1928 exports totalled 1,532,266 cords as against 1,541,769 cords a year ago.

Besco Coal Situation is Steadily Improving

From Our Own Correspondent

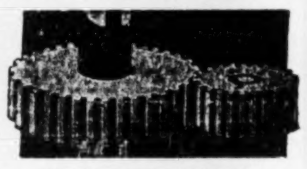
MONTREAL.—In press interviews, Hon. E. N. Rhodes, premier of Nova Scotia, has been optimistic touching the future of the coal companies in his province. Mr. Rhodes' remarks have an interest for the holders of Dominion Coal securities, the bonds of the Cumberland Railway and Coal Company, and the securities of Besco. Mr. Rhodes said:

"The coal industry in Nova Scotia cannot be called satisfactory, but it is better than it has been for a number of years. The difficulty with us arises out of the season of unemployment, but the British Empire Steel Corporation are thoroughly appraised of the situation, and it is a position which cannot be remedied in a night, but it is improving.

"Another thing which puts the coal mining industry in a better position is the arrangement between the men and the companies whereby the latter undertake to give a minimum three days a week employment during the winter season and not to make any check-offs, and they have lived up to that agreement, and I am convinced the industry will ultimately be placed in a satisfactory position, but patience is required."

I. P. Makes Appointment

MONTREAL.—It is announced that E. A. Charlton has been appointed manager of the manufacturing department of the International Paper Company. He will have charge of the operations of the northern United States paper mills of the company, and of the paper mills of Canadian International Paper Company. Mr. Charlton is vice-president and general manager of International Power and Paper Company, of Newfoundland, a subsidiary of International Paper Company, which owns and operates the Cornerbrook, Newfoundland, newsprint paper mill and allied properties.



Silent Pinions
any size or type
Hall Gear & Machine Co. Ltd.
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WABASSO COTTONS enjoy the unstinted approval of discriminating women all over Canada. They find them best for undergarments, dresses, rompers, sheeting, etc., because they stand up stoutly to the most strenuous wear, yet retain their original beauty.

The Wabasso Trade Mark is a guarantee of highest quality cotton fabrics.

Wabasso Cottons
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The Uses of Paperboard

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Largest Manufacturers of Paperboard in Canada
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Owning and operating mills at

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Smooth Rock Falls, Ont.
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Pine Falls, Manitoba

Daily Capacity 2200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

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Pulp and Paper Mills — *Power Developments*

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Newsprint Paper
Kraft Pulp
Unbleached Sulphite Pulp
BATHURST POWER & PAPER
COMPANY LIMITED

Woods Manufacturing Company, Limited

Jute and Cotton Bags
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Paddings and Twine
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Newsprint and Sulphite Pulp

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CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
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CANADIAN GROWN
Evergreens, Trees, Shrubs, Perennials, Alpines, Vines, Roses
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Nurseries 260 Acres
CLARKSON, ONT.

GOOD SUPPLY OF LABOR

There is no labor problem in Brampton. Because living conditions are good and cost of living is low, there is ample labor available at all times. And for the same reasons wages are more reasonable than in the crowded centres of population; and we come in the lowest category-towns below 5,000 population—under the Minimum Wage regulations. It will pay the manufacturer contemplating new plants to investigate

BRAMPTON

For full information write to E. M. Corkett, Town Clerk,
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BIG PLATE WORK

We Make Boilers of all types and sizes, also Hand Stokers, Pulp and Sawmill Machinery, Road Rollers and Scarifiers, Steel Tanks, Engines, Pumps. 39
84 Years Experience

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PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber — Bleached Sulphite Pulp — Fine Papers
Sulphite Mill at Edmundston N.B.

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MONTMAGNY
QUEBEC
BATISCAN
NEWSPRINT MILLS
SAW MILLS
TIMBER LIMITS

NEWSPRINT PAPER AND LUMBER
Head Office
QUEBEC, P. Q.

The Canada Power & Paper Corporation

Total Daily Capacity of Plants:
1250 Tons of Newsprint.

Also producing Cardboard, Wrapper and Sulphite, Kraft and Groundwood Pulps.

Successor and Operating Company of:

Belgo-Canadian Paper Co. Limited
Laurentide Company Limited
St. Maurice Paper Company Limited

Head Office:
MONTREAL—QUEBEC

Red Deer brand birch FLOORING

The Product of
The MUSKOKA WOOD MFG. CO., Ltd.
HUNTSVILLE
Ontario

Every bundle of Red Deer brand Birch bears the above trade mark —a guarantee that it is 99 to 100% perfect.

Manufacturers of high grade Hardwood Flooring for residence, school and industrial work; Kiln Dried Hardwood Lumber; Hemlock Timbers.

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance inquiries on sheets separate from other investment inquiries.

Murray Bay Paper

Am I wise in holding a Murray Bay Paper bond in view of the present situation existing in the newsprint industry?

Our records show that these bonds were called on October 1, 1928, at 105. If you still hold the bond, you had better turn it in immediately.

Canadian Hydro

How do the first preferred shares of the Canadian Hydro Electric Corporation rank? I am thinking of purchasing some of this issue.

The first preferred of the Canadian Hydro Electric Corporation appears to be a good preferred stock issue which would fit in very well indeed in any list of investments.

Winnipeg Electric

In a diversified list I hold some Winnipeg Electric. Of late this stock has not been acting well. Do you think it would be wise to sell in view of the market decline?

Your Winnipeg Electric holdings look excellent to us. Over a term you stand every chance of obtaining a very satisfactory appreciation on the stock.

Foreign Power Securities

Are the preferred and common shares of the Foreign Power Securities corporation a good investment? I hold some of these shares.

Foreign Power preferred and common are other business man's investments on which you stand a good chance of making a satisfactory profit on a long hold. The subsidiary companies in France are doing steadily an increasing business.

No Reason to Sell

May I have your opinion on the chances for appreciation of the following stocks which I hold: Walkers at 90; Canners 2nd preferred at 20, and Teck Hughes at 11.10?

We do not see any reason why you should sell your Hiram Walker-Gooderham & Worts bought at $90, your Canners second preferred bought at $20 or your Teck Hughes bought at $11.10.

General Steel Wares

In a diversified list of good industrial bonds, I hold some General Steel Wares. I know nothing at all about this company and would like your views on the bonds.

General Steel Wares bonds can be regarded as a suitable investment. The company is steadily improving its position and occupies a very strong liquid position. The bonds are especially suitable for a diversified list such as you hold.

Canada Packers

I have recently bought 70 shares of Canada Packers common and would like to know if they are going to list their shares in the near future?

We do not believe that application to list the preferred and common shares of Canada Packers, Ltd., will take place until such time as the company has sponsored an issue of short term notes which are held by the company's bankers. No move may be made in the immediate future.

Can. Wirebound Boxes

I have been asked to subscribe to a new offering of class "A" participating shares of Canadian Wirebound Boxes, Ltd., at $26 per share. It looks to me like a good business man's semi-investment speculation, but I would like your advice before subscribing.

We believe that the class "A" participating shares of Canadian Wirebound Boxes, Ltd., are a suitable investment for a moderate proportion of the investment funds of a business man.

Power & Paper Investments

The new preferred stock issue of the Canadian Power and Paper Investments looks attractive to me. Before making my decision, though, I should like to obtain your views on the issue.

The preferred stock now being offered in the Canadian Power and Paper Investments looks to us to be an interesting long hold for a business man. We feel that you might well include some of these shares in a diversified list.

The convertible feature of the shares we believe to be attractive.

McColl-Frontenac

I am a business man with a fairly wide diversified list of semi-speculative securities. and I am considering purchasing McColl-Frontenac Oil preferred and common. Would this be a wise move?

McColl - Frontenac Oil preferred and common is a suitable investment for you. The preferred is a business man's high yield hold and the common over a year or two gives indications of appreciating. The company is steadily expanding and should do well ultimately.

Abitibi Power

I am the holder of bonds and common shares of the Abitibi Power and Paper Company. In view of their market depreciation, I would appreciate very much hearing your views on these securities.

We regard your Abitibi bonds as a hold—despite the present situation in the newsprint industry. The common can only be regarded as an out and out speculation at the present time. Over two or three years, though, we feel that the common stands a good chance of materially improving its position.

Robert Mitchell

What is the outlook for the common stock of Robert Mitchell Co.?

We are favorably impressed with the outlook for the common stock of the Robert Mitchell Co. The Robert Mitchell Co. has been getting a share of the railway equipment business, as the Robert Mitchell company manufactures bronze bearings, etc., for railway cars and so forth. The company is in somewhat better position perhaps than the railway equipment companies themselves, because it manufactures a variety of bronze and brass goods.

Promising Investments

What do you consider the best stock for appreciation within a period of the next six months or a year?

We do not know what will be the best stock for appreciation within six months or a year. The best that we can suggest is a list of stocks which we consider as promising common stock investments to be held while the outlook for the country is good. International Petroleum, Haynes Wheels, Steel Co. of Canada, General Steel Wares and City Dairy are among these stocks.

World Fibre Corp.

Stock salesmen are endeavoring to sell, to farmers in our district, shares of the World Fibre Corporation, Ltd. Will you kindly favor us with a report on this corporation and its prospects?

We would not class the World Fibre Corporation Limited, as an investment at this time. It is a new company which has not yet established its source of raw material, its factory, or its market. New companies are speculative even when they have a source of raw material, a factory and a fairly assured market. This is our opinion.

International Utilities

I am the holder of International Utilities preferred shares and International Utilities "A" stock. In a word or two, please, summarize your views on these securities.

International Utilities preferred is a satisfactory preferred stock, while the "A" shares can be regarded as a very satisfactory high yield investment for a business man. You stand ultimately a good chance of getting a satisfactory appreciation on your "A" shares. The A stock is of a character which necessitates that it should only be included in a well diversified list.

Manitoba Power

I hold some Manitoba Power shares. Are they a suitable hold for me? I am thinking of switching into Winnipeg Electric. Would this be a good idea?

Manitoba Power shares look to us to be a satisfactory investment for a long hold in a diversified list such as your own.

It is possible that a switch from Manitoba Power to Winnipeg Electric might prove more advantageous—it is really a toss up between the two companies. Earnings of Manitoba Power should increase over the next year, but on the whole you may do better by selling your Manitoba Power and reinvesting in the common of the parent company.

Perfection Glass

Let me know something about Perfection Glass, please. I have some of the stock and am a bit dubious about holding it.

Your Perfection Glass holdings can be regarded as a speculation. The stock has some attractions, for we learn that the company is doing a materially better business and over the next year or so we are inclined to feel that the new management may bring success to the venture. On the whole, we are inclined to feel that the shares are worth holding. At the low price at which they now change hands, any appreciation whatsoever would bring you a handsome profit.

Ottawa Traction

Do you think that the Ottawa Traction Company will declare dividends again shortly and will the stock appreciate?

We feel that before the end of the year the Ottawa Traction Company will probably declare dividends again. They may not be up to the former level, though. We feel that there is a possibility also of some appreciation in the stock.

The increased fares in Ottawa naturally resulted in the decline in the number of passengers carried last August. However, the number of people transported on the tramways there is increasing and earnings, so we understand, are also improving.

Mount Royal

I hold some of the preferred shares of the Mount Royal Hotel. Should I sell at the present low prices? What are your views on the stock?

Mount Royal Hotel shares have not a good record. Moreover, the shares are not listed but merely change hands between brokers. Hence, they change hands at a low level. However, tourists have been coming to Montreal in increasing numbers of late years and we are under the impression that earnings in 1928 showed an increase and during the coming year should increase again still further. The stock is speculative but if included in a well-diversified speculative list might well be retained.

Canadian Celanese

What is the investment standing of the Canadian Celanese preferred and common shares, some of which I hold? I have taken a loss on the stock—should I sell out now and take my medicine?

When Canadian Celanese first came into production, it ran into various difficulties of one kind and another including merchandising difficulties. These are being eliminated. We are inclined to the belief that the company is now on its way, and stands a good chance of doing much better in the future. However, the shares can only be regarded as an out and out speculation for a business man who is willing to wait a year or two for appreciation.

Atlantic Sugar

One of my clients holds some Atlantic Sugar common. Would you be good enough, please, to let me have for his benefit your views on the present position occupied by the stock.

Atlantic Sugar common is a long hold speculative stock. The immediate outlook for the shares is not particularly satisfactory. We feel that there are other speculations with more attractions than the common of Atlantic Sugar.

However, if you care to hold your Atlantic Sugar common over a three or four year period, we are of the opinion that you stand an excellent chance of obtaining a satisfactory appreciation. Do not forget, though, that the preferred shares are far in arrears with dividends.

Good Preferred Stocks

Would you advise the purchase of preferred shares of Canada Cement, Winnipeg Electric or Maple Leaf Milling Co., or Simpson's Ltd.?

Kindly furnish me with a list of preferred shares that you consider the best.

We believe that you would find Canada Cement, Winnipeg Electric, Maple Leaf Milling Co., and Simpson's Ltd., satisfactory preferred stocks.

Other preferred stocks which give a good yield and which, in our opinion, are sound are Canadian Canners first preferred, Russell Motor preferred, Canadian Steamship Lines preferred. Gilt-edged preferred stocks include City Dairy, Ogilvie Flour, Dominion Textile, etc.

Can. Car & Foundry

Kindly give me particulars of Canada Car and Foundry Co. and the probability of appreciation in common stock within the next six months.

Canadian Car & Foundry company is one of the three companies engaged in the business of manufacturing railway cars and other equipment for the railways. The company in the past has been subjected to violent fluctuations in operations, and, therefore, in earnings, owing to the variations in the demand for rolling stock by the Canadian railways. This year has been exceptionally good because the railways in the last several years have been somewhat chary in ordering their equipment, and it is expected that the next year or two will be active. As a permanent investment, however, a stock such as this should be included only in a diversified list of securities.

Brompton Pulp

I purchased Brompton common at 50. What is the outlook for the shares now? Should I hang on? And is there any possibility of my ever again obtaining the price I paid for the stock?

In our estimation, Brompton is one of the most attractive of the newsprint stocks at the present time. We feel that the shares are selling out of line with those of the other newsprint companies as in 1929 Brompton will earn—and probably pay—its common dividends.

If you are to hold onto the stock over a term of years we feel that you will stand every chance of obtaining a market appreciation which will enable you to sell the stock at the price which you paid for it. Ultimately, you stand a good chance of obtaining higher figures. It can only be regarded as a very long hold and must also be regarded as a speculation and should only be included in a diversified list of holdings.

International Proprietaries

During the past summer, I purchased 100 shares of Class "A" International Proprietaries Ltd. stock, and at the time was advised that this stock would be listed on one or more of the Canadian stock exchanges.

I have since understood that the initial offering of this stock did not sell as well as was expected, and for that reason, the listing was being postponed.

I am perfectly satisfied with the buy, as it has paid regular dividends, and now has, or is about to do so, increased the dividends on class "A" from 6 per cent. to 6½ per cent.

Have you any information as to when this stock is likely to be listed?

International Proprietaries Ltd., stock gradually is being distributed, and we believe that the ultimate outlook is reasonably satisfactory.

It is understood that application for listing of the shares on the Toronto Stock Exchange and possibly elsewhere will take place in due course.

B.A. Oil

I am a holder of a considerable number of shares of B. A. Oil and I am rather disappointed that you are not more bullish on this stock. Would you be kind enough to give me your real opinion?

The reason that we are not more specifically favorable to British American Oil is that this is one of the companies about which it is impossible to procure exact information. As you doubtless know, the company does not issue its annual financial statements, and whatever information that is available is of a vague nature. It is true that Imperial Oil is in a similar category, but Imperial Oil is more satisfactory as regards publication of information as to plant expansion and other developments.

Lacking such information regarding British American Oil we have been somewhat cautious in stating our approval of this company's stock. We know of nothing unfavorable concerning the company. The stock has had a good record.

Traymore

I have 20 shares of preferred and 4 shares of common stock of Traymore, Ltd. What is your advice in turning the 20 shares of preferred into common stock?

As we understand that Traymore Ltd., is continuing to make progress it is reasonable to expect that the common shares gradually will appreciate in market value. For the time being, however, you will sacrifice something by way of yield if you convert your preferred shares into common on the basis of three common for two preferred. It is just a guess as to whether the market will so improve on the common in the next year that the exchange will prove to have been profitable on the basis which prevails up to April 1. Traymore Ltd., is one of the smaller companies and the stocks of the smaller companies have not done particularly well marketwise in the last year.

Traymore Ltd., recently opened a new restaurant on Bay Street, Toronto, at a considerable capital cost. The restaurant apparently is doing a good business.

Wright Automobile

I have just started to subscribe to The Financial Post and am taking advantage of your investment service to ask your opinion on the shares of the Wright Flexible Axle Motors Company. I hold this stock.

We are sorry to learn that you have some of the shares of the Wright Flexible Axle Motors. We feel that this organization has not a chance in the world for ultimate success of any real kind. The Financial Post has consistently and steadily pointed out to investors that the stock has no investment or speculative attractions as far as we can see

There is only one way of judging securities, namely on a comparative basis with others. On a comparative basis with the many attractive speculative offerings available on the stock market, we believe that the shares of the Wright Flexible Axle Motors Company are virtually valueless. This, of course, is merely our opinion—but it is an opinion backed up by an acquaintanceship with thousands of securities.

Spillers Canadian Milling

I should appreciate information regarding Spillers Canadian Milling Co., Ltd., of Calgary, Alta.

Spillers Canadian Milling Co. Ltd., of Calgary is a subsidiary of the Spillers Company of Great Britain which has been in successful operation for more than a century. The Calgary mill is one of the most efficient in existence and its association with such a long established company as the English company should assure successful management.

Canadian investment interest in this company is limited to the second preferred stock which is a first charge on the company after the two million dollars of bonds held by the parent company in Great Britain.

As information about English companies is difficult to obtain except at the time of the issuance of the annual reports we are unable to say exactly what is the current position of this company. Presumably the annual reports will be available in this country within two or three months. We would say that the long term outlook is favorable.

Riordon Company

I am a holder of some of the Riordon preferred shares. Do you think I shall ever get anything out of this stock? I am not familiar with just exactly what took place when the company got into difficulties and I should be glad if you would outline for me the situation which now surrounds these securities.

When the Riordon Company got into difficulties and the bondholders took over the property, it did not fetch enough in the sale to International Paper to meet the obligations of the general mortgage bonds. Hence, nothing was left over for the preferred and common shareholders of Riordon.

The bondholders of Riordon, of course, had a mortgage on the property. When the company fell down on its interest payments on the bonds, the bondholders, naturally, were at liberty to sell the property for what it would bring on the open market.

As we have said, the price which International paid for Riordon was not sufficient to meet fully the claims of the general mortgage bondholders. Hence, there is no possibility of you obtaining anything for your Riordon shares.

Howard Smith

Do you consider the bonds of the Howard Smith Paper Mills a good investment? Are the earnings of the company satisfactory?

Earnings of the Howard Smith Paper Mills for 1928 available both for bond interest and depreciation charges will be equal probably to three times the bond interest requirements. During the past nine years earnings have averaged about twice the bond interest requirements. This is figured without any allowance for depreciation.

The company is making steady progress and we believe that the bonds are a satisfactory investment in their class.

Installment Buying

I have available some $150 to $200 per month for investment and realize that without a definite plan of investment surplus funds have a habit of dwindling. I should like to enter into an agreement with some reliable broker or investment house to make definite payments monthly for the purchase of industrial common stocks with a view to future appreciation rather than present yield. Any information you can give me regarding such a plan will be appreciated.

There are a number of security houses selling bonds and preferred stocks on the instalment plan, but we do not know at this moment of any house so selling common stocks. We would suggest that if you desire to buy standard common stocks that you start with a very small amount and pay a broker perhaps 50 per cent. of the purchase price and make regular payments into your account thereafter. From time to time you could add to your holdings as you increase your credit at your broker's.

Another method would be to make an initial investment of say about $1,000 and use this as collateral for a loan at your bank. You could either make definite arrangements with your banker to pay off the loan at regular periods or you would probably find it possible through additional payments to increase your holdings, financing purchases through your bank.

We would suggest that as a beginning you confine your investments to the very best common stocks and direct to your attention a series of articles now running in The Financial Post dealing with stocks for the small investor.

When Women Invest

One Who Has Held Mortgage Stocks for Years Wonders as to Future of These Securities; Novice in Investment Asks About Nickel and Massey-Harris.

A WEEKLY FEATURE

For many years I have put my savings into mortgage stocks and received a fair return plus stock rights and bonuses at intervals. I still hold shares in Canada Permanent and Huron & Erie. I am not worried about the stability of these stocks, but I thought it would be better to put my money into American Telegraph & Telephone for example, which frequently issues stock rights. I can get along on a smaller return which I would receive.

I have asked several brokers about the mortgage stocks but do not get any satisfactory answers. One broker here says that the mortgage stocks are "done." He thinks they have not the opportunity for expansion that they had when Canada, or at least Ontario, was a newer country. Canada Permanent has not raised its dividend since 1921 and I am getting tired of holding this stock.

We do not have the information which enables us to discuss United States stocks, so we cannot advise as to the wisdom of selling your mortgage stocks and buying American Telegraph & Telephone. Of course you know that it is an outstanding investment stock in the United States.

Mortgage Stocks Not "Done"

We do not think that the mortgage stocks are "done." They have had some serious problems with their loans, particularly in the prairie provinces, but there is evidence of improving conditions. For instance, the Canada Permanent Mortgage Corporation has shown a slight increase in profits every year since 1922, ascending in that time from 12.9 per cent. to 14.4 per cent. The Huron & Erie apparently has not been increasing its earnings, but the dividend rate was increased to eight per cent. on January 1, 1928, and it is doubtful if the directors would have authorized this increase if they were not fairly certain of improvement in the mortgage situation.

It is just possible that the trust and loan stocks as a whole are likely to do somewhat better in the next few years, than in the last five years, owing to the improvement in the economic conditions of the country, particularly of the agricultural community. There are vast new agricultural communities to be financed.

But Others May Be Better

On the other hand, it is probably true that leading industrial and utility stocks will appreciate more rapidly than the stocks of financial corporations. If you are able to get along on a smaller return from your investment you probably would be making no mistake in buying such sound common stocks as Montreal Power, Shawinigan Water & Power, Steel Co. of Canada, Imperial Oil and City Dairy.

I have some Victory bonds due in two or three years, yielding 5½ per cent. Would you advise selling $1,000 worth now and putting it in International Nickel new shares? Does International Nickel yield interest?

Some people consider Massey-Harris very attractive. Why is it? Does it pay good interest? Does its rise in value count most?

If she is aware of the problems involved, a married woman reasonably may invest in common stocks, as presumably she does not require income from her investments immediately for living expenses.

The dividend on the new International Nickel shares probably will be 80 cents per share at which price the current yield is slightly under 1½ per cent. Massey-Harris company as yet has declared no dividend at all on its common stock.

Remember to Diversify

We would not advise any person to invest all of her funds in any one security. We would urge that the risk be spread over a number of good stocks. Of these International Nickel and Massey-Harris may do well over a term of years. Individuals who bought International Nickel two or three years ago now find that they are getting better than six per cent. on their money. They will be receiving a still higher return when the dividend rate on the new shares is established.

The reason that Massey-Harris company common stock is considered a promising semi-speculative investment is that the earnings of the company are growing rapidly under its present management and under the existing economic conditions in the agricultural industry in Canada and in other countries. Persons who buy Massey-Harris company common stock at this time as an investment do so on the assumption that eventually the investment will pay them good interest on their money and by way of capital appreciation in the market value of the stock. International Nickel is in a similar category.

But before you do anything, we would strongly advise you to study the situation so that you know exactly what you are buying. We gather that you are a novice in investments in stocks. There are a number of fundamentals which should be understood before you take the step. The common stocks you mention are probably good in their respective classes, but the future returns and future market depend entirely on the earnings of the companies. If the companies are prosperous and earn at a high rate, the dividends will be good and the market values will rise. But if earnings are small market values will lower and dividends will drop. There is no fixed return on a common stock. The profits which are available for distribution as dividends on common stocks are what money is left over after every conceivable expense has been met.

Some of the most conservative Canadian common stocks are Montreal Power, Canadian Pacific, Bell Telephone, Consumers' Gas, Shawinigan Water & Power, and City Dairy. You will be taking greater risk, apparently, if you buy International Nickel and Massey-Harris.

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Newfoundland Optimistic After Year of Prosperity

Mining Developments in Interior Give Promise of New Sources of Wealth — Fishing Industry Much More Profitable

Special to The Financial Post
By SIR PATRICK McGRATH

ST. JOHN'S, NFLD.—Newfoundland has just closed one of the most successful years in her industrial and economic history and views the year now opening as likely to repeat this gratifying record.

The fisheries, whereby the great mass of the people obtain a livelihood, were prosecuted more profitably in 1928 than the previous year, thus tending towards still greater activity this season. Of these the cod fishery is far and away the largest, its value totalling $13,000,000 against $2,600,000 for the whole of the other fisheries—viz., lobsters, $475,000; herrings, $566,000; salmon, $225,000; seals, $771,000; whales, $495,000; minor fisheries, $50,000.

The cod fishery is divided into three branches—"Shore," meaning that prosecuted around our own coast, and representing about 75 per cent. of the total: "Banks," which is that carried out on the Grand Banks and makes about 10 per cent.; and "Labrador," the fishery along the seaboard of that great northern dependency, and constituting the remaining 15 per cent.

Catch Smaller; Prices Better

The catch on the whole was smaller in 1928 than the year before, but better prices were obtained owing to reduced catches in competing countries. The Portuguese cod fishery on the Grand Banks was a failure, Norway's (our chief rival) catch in her own waters was less, Iceland suffered in the same way and France, which has also a large flotilla on the Grand Banks, was also short in her supplies. Consequently, our foreign markets remained fairly stable, in the main, towards which result a better regulation of shipments is said to have contributed, so that the agitation for the standardizing of our fishery products and the regulating of shipments, so that foreign buyers may know what they are getting and foreign markets be supplied without over-stocking, is increasing; and it is not improbable, that the newly-elected Ministry of Sir Richard Squires will attempt, ere long, to deal with this admittedly vital question.

The total catch of "Shore" cod, with the figures not absolutely complete, may be given as 850,000 quintals (112 lbs.), "Banks" 100,000 qtls.; and Labrador 150,000 qtls., and it is estimated that about 950,000 qtls. had been shipped to market by the end of December, leaving about 150,000 qtls. to be sold during the winter and spring, which it is thought will be easily absorbed, as the Lenten season intervenes, and great quantities of our cod are consumed in the Catholic countries of Southern Europe (Portugal, Spain, Italy, Greece), West Indies, Brazil, etc.; and most largely during the weeks of Lent.

Cod Oil Trade Grows

Besides the fish itself this cod-catching industry yields two substantial by-products, so to speak, in the form of oil—cod-liver oil, for medicine, expressed from the livers of the cod while fresh, or say, within a few hours after the fish are caught; and of cod-oil for industrial use, being similar oil obtained from the livers after they turn rancid and they become unfit for conversion into the medical quality. Thanks largely to some progressive local operators and the collaboration of large American drug-houses who found as a result of exhaustive tests that our cod livers were richer in vitamins than any other, there has been a big development in the production of medicinal oil here in recent years, and it is hoped to steadily increase it, as a gallon of this oil is worth roughly twice that of the common cod-oil; and Norway to-day, which has the lead in medicinal oil, produces annually about ten times as much as Newfoundland does. This is possible from the fact that her cod fisheries are chiefly conducted in limited areas where the livers can be gathered rapidly in great quantities and the oil refined from them without delay, whereas our fishery is conducted from hundreds of small settlements round some 6,000 miles of coastline and the collecting of the livers is therefore much more difficult. The export of medicinal oil last year, including subsidiary products was around $600,000, and of the industrial "cod-oil," about $560,000.

Lobster Industry Revived

The catching of lobsters was permitted again in 1928 after a close season had been enforced for three years to enable the crustaceans—slow-breeding creatures—to reproduce themselves after intensive fishing of them for a generation. All the lobsters taken in Newfoundland are preserved by canning and the estimated pack for the year is 25,000 cases, valued for export at about $475,000, these cases each being of 48 one-pound tins. As with codfish and the oil therefrom, the lobsters are caught in the vicinity of hundreds of coves and some 800 "canneries," mostly all on a very small scale, were engaged in the industry, making an average of about 30 cases for each, valued at less than $600, so that the wide distribution of this industry can thus be best realized.

Salmon in the olden days were mostly salted for export, for the same reason—the great number of fishermen in countless harbors, operating on a small scale—and even this method still persists. Later the canning of salmon was undertaken, but the industry has nothing like the dimensions of the British Columbia industry and therefore cannot compete with it, and most of the salmon now tinned by us is for local consumption. It might perhaps be noted here that half a century ago the Hudson's Bay Company was canning salmon in some of the rivers of Labrador, while to-day the same company is helping to pioneer the development of our salmon industry by the newest process, brine freezing. This has made marked progress in recent years and promises to supersede all other methods before long, as several firms have gone into this business, one indeed, using a steamer with refrigeration chambers as a floating warehouse. Last year over 10,000 boxes, each weighing 112 lbs., of frozen salmon, valued at $188,000, were exported, mostly to the British and American markets, where this article is in good demand. Sir William Allardyce, who retired last summer from the Governorship of Newfoundland, is reported by the London Daily Mail of October 4, as having stated at a big dinner the previous night, that the chefs of the large London hotels had been unable to decide which were British and which were Newfoundland salmon from unmarked samples of both which were placed before them. In addition some 4,000 barrels (200 lbs.) of pickled salmon, valued at $72,000, were exported, mostly to the same markets, but production in this form is declining and is unlikely to be continued much in the future except in the remoter harbors whence it is impossible to get the fish to the cold storage warehouses while fresh.

Americans in Herring Fishery

The herring fishery is mainly centred on the West Coast and occupies November, December and January, the chief markets being in the United States and Canada, the most active operators being Americans. Formerly flotillas of United States fishing vessels came from Gloucester, Mass., Bucksport, Me., and other New England ports and loaded these fish frozen in bulk, but latterly the fish are being packed salted in barrels, after the fashion of the great Scotch herring fishery, known the world over. During 1928 the export was about 50,000 barrels (200 lbs.) mostly "Scotch cure," for thus they are distinguished from the frozen variety; and the total value was $566,000.

Aeroplanes Spot Seals

The seal fishery, one of the world's most remarkable industries, in which the hunters seek their prey among the icefloes of the North Atlantic in March and April was prosecuted last year by 11 large steamers, one trawler and one schooner, crewed by 2,200 men, who secured in all some 240,000 pelts, (skins with adhering fat), the export value of which hides was $367,000 while the oil obtained from the fat amounted to over 800,000 gallons, valued at $403,000. The steamers have been assisted in recent years by an aeroplane which is used for "spotting" the herds, and which the owners of the ships are satisfied has helped in the success of the venture.

At first, the machine, a baby Avion, was carried on a platform over the deck of the largest steamer and flown from there or from a level area of ice when available, but last year she flew from the land, first from a base on the West Coast and later from one on the East Coast, while gasoline had been stored at various places near the theatres of operations to enable her to re-fuel if necessary. The newer policy will also be pursued the present year, which will likewise see another large steamer, another trawler and two motor-driven schooners added to the fleet. One of the latter is an American-built fishing schooner constructed of oak and used in the cod fishery on the Grand Banks by a Gloucester (Mass.) firm for several years, while the other is a local built craft, brand new, constructed out of native wood in a shipyard in Newfoundland the past season. A test of the relative merits of these vessels will thus be possible and the chances of successfully conducting this industry by motor-driven ships explored. Sixty years ago sealing was done entirely by sailing craft, but with the coming of steam the hundreds of "sailers" were in time replaced by groups of "steamers;" though now it is thought that motor vessels may in turn supplant these.

Still Carry on Whaling

Whaling for 1928 was conducted by two companies operating five steamers from stations on the Newfoundland and Labrador coasts and making a kill of 508 whales, of which 60 were cachalots, or sperm whales, rare visitors to our northern waters, and the rest of the "baleen," or whalebone types which have their regular habitat in these seas. The production amounted to 850,000 gallons of oil valued at $425,000 and other commodities, whalebone, guano, etc., valued at $70,000 more. One whaling steamer suffered disaster on Labrador, first, having her rudder and propellor smashed by a blow from the tail of a whale she had harpooned, and then, while disabled, being blown ashore by a north-east gale and totally wrecked.

Apart from the various branches of the sea fishing industry detailed above, the story of our industrial activity can be briefly told, though the products of the more modern industries now to be described, much exceed in value, for the first time on record, that of the fishery products.

Paper-Making Industry

The first of these is paper-making. Two companies are engaged in this industry. The first, organized over 20 years ago by the famous Lord Northcliffe, and still controlled by his brother, Lord Rothermere, operates a paper-mill at Grand Falls, on the Eastern Coast, with an output of about 100,000 tons of "newsprint" paper last year valued at 6¼ million dollars, a subsidiary mill at Bishop Falls, nine miles distant, producing about 30,000 tons of ground wood pulp, which is pumped from there through underground pipes to the larger mill to be used in the making of the paper with the pulp produced there. An enlargement of Grand Falls mill so as to provide additional power, is contemplated this year. The spruce and other wood for the manufacture of paper is obtained in the adjoining forests and calls for a logging force during the winter months of some 2,000 men.

The second paper-making concern is established on the West Coast, at Corner Brook in Bay of Islands. The creation of English capitalists, it met ill-fortune at the outset, being actually in financial deep-water when opened in August, 1926, so that it had to be sold shortly after, being purchased by the International Paper Company of New York, in whose hands it is understood to be proving a great success. Its daily production during 1928 was increased from 400 to 480 tons daily, and its total output for the year, 125,000 tons, valued at about $8,000,000, is expected to be increased to 150,000 tons during the present year. This mill, one of the newest in existence, is said to produce paper at a lower cost than any other in the world, and plans for its early enlargement are also in contemplation.

SIR PATRICK McGRATH

This concern, too, has its own forest areas for its pulp-wood supply, and its winter logging force approaches 3,000 men. At both centres modern towns have been created, which promise to become, in time, among the largest in the Island.

Mining Activities Under Way

Our mining activities are also centred in two areas. At Belle Isle, in Conception Bay, some 12 miles from St. John's, are the hematite iron deposits operated by "Besco," otherwise the British Empire Steel Corporation. Opened about 30 years ago these mines have gradually increased their output until last year the greatest production was reached, 1,548,000 tons, valued at $2,550,000. Of this output 616,000 tons went to Sydney, N.S., where the company's own smelters are located and where this raw material is converted into iron and steel; 37,000 tons went to the United States to be used in conjunction with domestic ores; and 894,000 tons went to Europe, nearly altogether to Germany, where it is used by some of the largest steel makers, some 20,000 tons going to the British Isles for purposes similar to that shipped to the United States. Last August the "Besco" concern, according to the "Iron Age," signed a ten-year contract with the following German concerns: The Bax Vereinigte Stahlwerke A. G., Gutehoffnungstutte, Friedriech Krupp, A. G. Mannesmann Tube Co., and the Klockner Co. Under the terms of the contract, which expires in 1938, these German consumers will take 700,000 tons a year for the first three years, increasing to 800,000 tons in 1931, to 950,000 tons in 1932, and 1,150,000 tons in 1933. Of these totals about 70 per cent. will be taken by the Vereinigte Stahlwerke A. G. at Dusseldorf. The price of the ore fixed by the contract is 11 shillings and sixpence, or $2.73 per ton f.o.b. Before the war great quantities of ore were shipped from Belle Isle, at considerable profit. The indications are that this business is being renewed on an even larger scale, insuring steady work for the miners at Belle Isle and a profit to the Corporation. The "Besco" organization is employing 1,500 men at Belle Isle this winter, getting out ore for the storage in stock-piles until the shipping season opens in May, as the very large export last year virtually exhausted all the reserve of ore thus held. As the output this year is expected to be at least as large, and as that of future years should grow also, steps are being taken to modernize and enlarge the machinery of production at the mines, as that at present is designed only for an annual output of about 1,500,000 tons and it is felt desirable to make provision for its increase to 2,000,000 tons. This will involve a considerable outlay for new equipment and a permanent addition to the working force as it is installed.

Develop Copper at Buchans

The past two years have seen the development of a large lead-zinc deposit at Buchans River, near Red Indian Lake, in the interior of the island, 50 miles by rail back from the East Coast in Notre Dame Bay. When 30 years ago the Northcliffe Company acquired a large area in this region for the wood thereon to be used in paper-making, it secured the mining rights there as well. Within a few years its prospectors discovered this lead-zinc deposit but it was so refractory that it could not be profitably worked, and for 20 years it lay idle. Then a few years ago, when more modern processes were devised for treating such ores, the Northcliffe interests and the American Smelters combined to work this property, with the result that it was brought into production early last year and concentrates of an estimated value of $1,000,000 were available for shipment at the end of December. The program of work at this deposit the present year contemplates a greatly increased production and it is understood that prospecting by geophysical appliances has resulted in locating other ore-bodies which were not definitely determined when the original development was undertaken. Consequently there has been much appreciation in the potential value of the property and estimates are in common circulation which, if justified, would entitle the property to be regarded as one of the world's great mineral deposits.

Big Offers for Control

Not alone is this so, but because of this attention the property has attached in mining circles, immense tracts surrounding the original area have been secured by various parties under the Colonial mining laws until to-day there are "claims" aggregating somewhere about 2,000 square miles "staked" by different holders, groups and individuals. Some of the largest of these holdings, into which smaller ones have been absorbed, are now controlled by Canadian mining interests, which have undertaken prospecting on an extensive scale, employing geophysical as well as other methods, and with such satisfactory results, it is understood, that they have been greatly encouraged as to the future. Certain it is that some local holders of stock in some of these concerns have been offered very large sums to part with their shares to those desiring to secure practically complete control of the enterprises.

On the whole therefore, the expectations of those who look to see Central Newfoundland in the near future the seat of a mining industry comparable to some of Canada's most progressive mining areas, do not seem unreasonable; nor can our people be blamed for hoping that mining may before long become an industry as important as paper-making and prove an equally potent factor in contributing to the future prosperity of this island and those who dwell on it.

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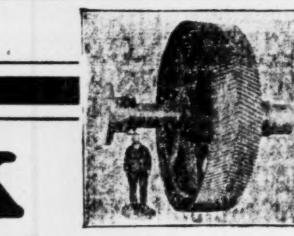

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We recommend this issue because of its very desirable protective features from the standpoints of security of principal and excellent dividend returns. There are also splendid possibilities of substantial appreciation in its market value.

90,000 Shares

Canadian Wirebound Boxes,
Limited

Class "A" Participating Shares
(Fully paid and non-callable)

The holders of Class "A" participating shares are entitled to receive cumulative dividends at the rate of $1.50 per share per annum, payable quarterly on the 1st days of January, April, July and October in priority to any dividends on the Class "B" shares. In addition the holders of Class "A" Shares are entitled to participate equally with the Class "B" Shares, share for share, in all dividends, bonuses or distributions paid or made by the Company out of surplus or net profits in excess of a non-cumulative dividend of $1.00 per share per annum on Class "B" Shares. On any distribution of the assets, other than out of surplus or net profits, the holders of Class "A" Shares are entitled to receive $26.00 per share in preference and priority over the holders of Class "B" Shares, and are also entitled to participate with the holders of Class "B" Shares, share for share, in any distributions after the holders of Class "B" Shares have received $26.00 per share.

After providing for depreciation and income tax, the Company must set apart each year in a special surplus account ten per centum of its net profits until Five Hundred Thousand Dollars ($500,000) has been accumulated, and such surplus must be maintained at not less than FiveHundred Thousand Dollars ($500,000).

Transfer Agent:
National Trust Company
Limited

Registrar:
The Toronto General Trusts Corporation,
Limited

CAPITALIZATION
(On completion of present financing)

	Authorized	*Issued*
Class "A" Participating Shares, no par value	150,000	90,000
Class "B" Shares, no par value	40,000	40,000

BUSINESS

Canadian Wirebound Boxes, Limited, has acquired the business formerly carried on by a company of the same name and by Hamilton Wirebound Boxes, Limited, consisting of the manufacture of wirebound boxes and of corrugated paper and containers. The business was founded by Mr. L. A. DeLaplante in Toronto in 1916. In 1920 the wirebound box department of the Kilgour Manufacturing Company in Hamilton was acquired. In March, 1923, production was commenced in Montreal. About the same time the wirebound box business of the Oakville Basket and Veneer Company was acquired. This year the Company has begun the manufacture of corrugated paper and corrugated paper containers at Montreal.

The Company owns and operates a valuable plant at Gerrard Street, Toronto, and operates another large plant under lease at Notre Dame Street, Montreal.

With the rapid development of the business the present premises at Toronto are deemed inadequate, and it is proposed to extend the present facilities at Toronto to double the present capacity for wirebound containers, the present financing provides adequate funds for this extension. The Company is also planning to establish in the near future a modern corrugated container plant in Toronto.

PATENTS AND LICENSES

The Company owns the Saranac Canadian patents, and holds the 4-One Box Machine licenses for Canada on terms precluding the patentees from granting any other Canadian licenses.

The Canadian Wirebound Boxes Limited, is the only Company in the World which controls both existing patents for making Wirebound Boxes and controls both patents and improvements exclusively for all Canada.

The patents and licenses have been acquired from time to time over a period of twelve years at a cost in excess of $750,000, they are undoubtedly worth a considerably larger amount.

While the Company's customers include a wide range and steadily increasing number of manufacturing concerns, only a small portion of the available market has yet been reached owing to the lack of adequate factory accommodation for the production of the Company's products. With the increase in plant to be provided out of the present financing, an immediate and rapidly growing increase in sales may be anticipated.

PURPOSES OF ISSUE

The proceeds of the issue are being used to provide part of the purchase price of the business so acquired by the Company, to provide the necessary capital for enlarging the company's plant at Toronto and to provide additional working capital for increased business.

ASSETS

The balance sheet as of May 1st, 1928, adjusted to give effect to this financing and to the appraisal of fixed assets by Canadian Appraisal Company, Limited, shows assets as certified to by Messrs. Thorne, Mulholland, Howson and McPherson, at a value of $2,388,254.93, which is in our opinion conservative and which is in excess of 100% of the present sale price of the Class "A" shares.

EARNINGS

The earnings, after provision for income tax and adequate depreciation, as adjusted to reflect the elimination of certain non-recurring royalty charges which have now been commuted, have been certified by Messrs. Thorne, Mulholland, Howson and McPherson, as amounting to $176,817.79 for the year ending February 28th, 1926; $214,249.76 for the year ending February 28th, 1927; $222,515.65 for the year ending February 29th, 1928, and it is estimated that the earnings for the current year will amount to approximately $250,000. This estimate for the current year does not include any profit to be derived from the operation of the new corrugated paper box plant at the Montreal factory, nor from the new double capacity wirebound box plant and new corrugated paper box plant to be opened in Toronto.

PARTICIPATION FEATURE

The holders of Class "A" Participating Shares, in addition to receiving the cumulative preferential dividends of $1.50 per annum will also receive the same amount, share for share, as the holders of Class "B" shares in all distributions of profits over and above the non-cumulative dividend of $1.00 per share on the Class "B" shares. In view of the small number of Class "B" shares this right of participation constitutes a highly attractive feature in a stock which is already preferred both as to assets and dividends.

MANAGEMENT

It is the intention of the Company to undertake a policy of rapid expansion to reap the full benefit of the exclusive rights enjoyed by the Company, and as the business will continue to be operated by the former management, the expansion policy should result in rapidly increasing sales and earnings. The directors of the Company will be:—L. A. DeLaplante, A. M. Dunn, A. J. DeLaplante, James Playfair, Harold A. Greene, D. L. White, Frank M. Ross and A. K. Cameron.

The above shares are offered for sale when, as and if received by us, subject to the approval of all legal proceedings by Messrs. Rowell, Reid, Wright and McMillan, Toronto, for us and for the Company.

PRICE:
$26.00 per share and accrued dividend.

The right is reserved to reject all or part of any application and to deliver a number of shares less than the number subscribed for.

Application will be made to have these Shares listed on the Toronto Stock Exchange.

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The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing this issue.

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BRADINGS SHOWS SMALL INCREASE IN EARNINGS

High Cost of Distribution Makes Inroads Into Profits

From Our Own Correspondent

MONTREAL.—The annual report for Brading Breweries for the year ended November 30, 1928, reveals an increase in manufacturing profits of $3,129. After provision for depreciation and preferred dividends, earnings applicable to the common stock amounted to approximately $2.23 a share. In the balance sheet, cash is shown at $9,034, an increase of about $3,500.

Inventories are shown at $130,702, an increase of $18,300 over the previous period. Investments stand at $20,182, compared with $1,000 in 1927. Real estate, plant and fixtures are valued at $356,130, an increase of $47,489. Goodwill is still carried at $1. The ratio of current assets to current liabilities is 4.4 to one, and working capital shows an increase of $37,333, now standing at $140,960.

President's Remarks

P. B. Taylor, president of the company, in his report to shareholders, said in part: "Our profits have not been proportionately as high as in other years, due to a number of factors, the principle of which is the expensive way in which beer is distributed in the Province of Ontario; and the high sales tax, license and warehouse fees imposed by the Liquor Control Board. It may be of interest to our shareholders to know that, out of every dollar of sales last year, 31 cents was paid in taxes to the Dominion and provincial governments.

"We have erected during the year a new fire-proof stock cellar, racking room, and have improved our brewing, bottling and refrigerating plants, as well as the installation of the sprinkler system. These improvements have added to the efficiency of the plants, the full effect of which has not been felt during the past year, but should lower our costs during the present year."

Income Accounts

Income accounts of the company over the past two years compare as follows:

	1928	1927
Gross profits	$ 74,457	$ 71,327
From investments	843	143
Total profits	75,300	71,470
Depreciation	18,341	17,208
Income tax reserve	4,452	3,946
Cost of stock issues	2,679	5,285
Preferred dividends	6,542	8,872
Three com. dividends	32,589	10,572
Balance	10,697	25,587
Previous surplus	51,966	26,379
P. & L. account	62,663	51,966

Combines Gain in Number

E. S. Archibald, director of the Dominion Experimental Farms, states that the total number of combines used in threshing the 1928 grain crops was: Saskatchewan, 2,356; Alberta, 1,095; and Manitoba, 206. It is estimated that more than 3,500,000 acres of grain were cut and threshed by this method.

Cement Common Shown by Company's Report to be Long Pull Stock

First Annual Report of New Company Proves Interesting

BOOK VALUE OF $10.80

Earnings in First Year Not Large on Common, But They Give Promise of Growth

From Our Own Correspondent

MONTREAL.—A study of the report of the Canada Cement Company for the fiscal year ending November 30 last, seems to indicate clearly that the company with several years of good business can put real value behind its common stock and give the common shareholders a real equity in the undertaking.

The outstanding bonds and preferred stock total $41,000,000—a figure in excess of the $39,044,696 at which the company carries its plant, buildings, and equipment, less depreciation.

The amount at which the company now carries its fixed assets, though, is greater than the figure at which the predecessor company carried this item on its books. At the close of 1926, when Frank P. Jones was the administrative head of the predecessor company, property account was carried at only $22,200,000.

Additions Not So Large

Since that date, there have, of course, been additions to the property, but such additions do not represent anything like the amount by which the book value of the assets have been increased.

A comparison between the company's present investment account and that of two years ago also shows some changes, for the latest report shows a total of $4,727,651 carried under the one head of investments in the Canada Cement Building and other investments. Two years ago, the company's investment account totalled $7,318,000, which was composed of $6,164,000 in bonds and $1,154,700 in investments and advances to other companies.

Investment Lower

While the investment account has declined very materially, in the meantime the Canada Cement Company has disposed of its holdings of securities of the Consumers Glass Company and its holdings in the Pennsylvania Gypsum Company. These items were carried at the $1,154,700 two years ago. The present balance sheet makes no mention of the $6,164,000 in bonds of two years ago.

The comparison of the two balance sheets, of course, reveals clearly that the assets have been written up substantially. The writing up of assets is often justifiable, particularly in a company such as the Canada Cement where undoubtedly the predecessor company kept its books very conservatively — perhaps too conservatively for many of the shareholders did not realize the value of their holdings in the predecessor company and some sold out at prices well below the figure at which the company eventually changed hands on October 14, 1927.

Was No 1927 Report

The company published no annual report for 1927 as the undertaking was sold lock, stock and barrel to the new interests at a price of $250 a share for the old common stock, and $125 a share for the old preferred. The company's profit and loss account shows a balance applicable to profit and loss and to the 600,000 shares of no par value common of $6,433,778. This figures out at about $10.80 per share of the common stock, as the entire surplus of the company is applicable to the common shares.

Are Other Features

While the potentialities of a stock cannot only be measured by the value of the assets, or in the book value of the shares, yet these features of any industrial situation must receive attention in any attempt to assess the merits of the shares. Last year the company showed earnings of only $29,873 on its 600,000 shares of common stock. In its write-off for reserves of various kinds, the company seems to have maintained the very conservative and sound policy initiated by the predecessor organization. During its first year of operations, the company built up sundry reserves, not including depreciation, of $580,000. This figure compares very favorably with similar deductions made by the original company.

Large Depreciation

For depreciation, during the past year, the present company wrote off $1,598,873 which is between 4 and 5 per cent. of the value which it placed on its fixed assets. This write off seems to shape up favorably when compared to the depreciation write offs made by the predecessor company.

The predecessor company never showed in its annual report the amount written off each year for depreciation. It was only possible to obtain a more or less vague idea of the actual amount by which the properties were written down, through a comparison of the annual balance sheets. Between the close of 1922 and 1926, the predecessor organization reduced its fixed assets of $27,841,000 down to $22,213,000. This works out at the rate of about $1,400,000 a year, and amounts to about $200,000 less than Canada Cement wrote off in 1928. The predecessor company, during these years, made additions to its property account and many of these additions, were the figures available, would naturally serve to augment materially the presumed annual depreciation charges of some $1,400,000.

But Another Side

All this may seem to present a rather pessimistic picture of the present position of the common stock of the Canada Cement Company. There is, obviously, a reverse side of the picture—otherwise the shares would not be selling at their present level. First of all, there are many investors who, remembering the wonderful record of the predecessor company, are quite content to sit with their stock over a long term of years, believing that, despite construction booms and construction depressions, the consumption of cement will increase substantially over a term of years. Their optimism on the long pull outlook seems not to be misplaced. In the annual report of the Canada Cement Company, the president makes a significant statement when he says that the mileage of concrete roads laid in Canada during the past year has been greater than in any previous year and that he believes that as public opinion comes to realize their advantages, there will be a strong and steadily increasing demand for cement roadways. Canada now has 2,000 miles of concrete roads, whilst United States has nearly 100,000 miles. From these figures, said A. C. Tagge, the president, there is room for a great increase in the mileage of cement roads in Canada.

Very Few Speculators

It appears that virtually none of the buying of Canada Cement shares is going into the hands of traders or speculators who expect to obtain a real appreciation within six months or a year. Those who hold the stock now, or who are purchasing the shares, are purchasing it with the idea of buying a long hold investment.

The stock is being held in the knowledge that the company is the one dominant producer of cement in the Dominion and will benefit increasingly from the new uses to which that commodity is being put. In the next ten-year period also, the holders look for a more or less steady growth in Canada. If the industrial growth of this Dominion be as great in the next ten years as it has been in the last decade, it seems virtually certain that the shareholders of Canada cement will benefit and materially.

Higher Than Others

The common shares of the Canada Cement Company sell at a higher figure than many other comparable securities. There is a reason for this. Over a long term of years, the management of the Canada Cement Company and Frank P. Jones in particular, the head of the predecessor company, steadily built up investment confidence in the organization. Investors generally liked Frank P. Jones and liked his administrative methods. They liked the results he obtained over a period of years. In the present company the management of the predecessor organization is largely represented.

$2.99 is Earned by Robinson Cone

Robinson Cone annual report has been completed and will shortly be presented to shareholders. It is said to show $2.99 a share.

Robinson Cone has been inactive around 25. A majority of the stock is held, it is understood, by one man.

QUALITY CANNERS CONTROL CHANGES

Whittall Can Co. Buys Control; Merger May Follow

Associated Quality Canners now is controlled by the A. R. Whittall Can Co., of Montreal. F. R. Whittall, president of the can company, also is president of the Quebec Canners Corp., and it is understood that the operations of Quality Canners and the Quebec Canners will be consolidated in some degree.

Associated Quality Canners was incorporated in 1928 to acquire a former company of similar name, the Harvest Canning Co., the E. C. Metcalfe Canning Co. and Hallowell Canners. Plants are operated at Harrow, Essex, McGregor, Cattom, Bloomfield, Deseronto and Hamilton. There are 80,000 shares of stock outstanding.

C. H. Easson and Thomas Roadhouse of Toronto, have resigned from the board and are replaced by F. R. Whittall and H. R. Phipps. John Walt, of Windsor, will remain as president and general manager.

British Industrialists Ask Penny Postage Over There

Recently the Federation of British Industries reiterated in a letter to the Chancellor of the Exchequer their request to the British government to restore the penny post. It will be remembered that in the interest of industry and trade the F. B. I. have pressed for this move for a considerable time and they feel that now that the governments of Canada and New Zealand have taken the step it ill becomes the Mother Country to lag behind.

The Federation are encouraged in their hopes that the government will follow suit on account of the frequent hopes expressed by members of the government that the penny post will be restored within the life of the present parliament. It is to be hoped that the government will seize the psychological opportunity of making the move as soon as possible in the New Year and so give an added fillip to trade in 1929.

CALLS FOR REPEAL CITY INCOME TAX

Toronto Board of Trade Pres. Declares It Works Against Ontario's Interests

Ontario is placed at a disadvantage in competition with the other provinces because of her municipal income tax, declared C. L. Burton, retiring president of the Toronto Board of Trade at the annual meeting of that body. Mr. Burton said:

"The present law strikes contrary to the best interests of this province. Industrial development, and especially the location of new industries, depends upon equal opportunity in Ontario. So long as Ontario levies an income tax and sister provinces do not there is a very strong inducement for industries, other things being equal, to locate outside of Ontario. Not only is this true of new industries, but the situation applies to the head offices of concerns operating in various provinces in Canada and, in some instances, throughout the world. There is no reason why municipalities in the province of Ontario should deprive themselves of the spending power of such head offices. Their purchases of equipment and other supplies for their plants and the supplies required by their well-paid officers and staffs reach important totals and our municipal taxation should be arranged so as not to penalize the province by encouraging these head offices to locate outside the province. It is a mistake to offset by the unwise municipal income tax otherwise favorable conditions which undoubtedly exist in this province. The same disadvantage to Ontario is found in cases where British or foreign capital is held in trust for investment in Canadian industries. Such trusts cannot be economically formed and held in the province of Ontario so long as municipal income tax applies.

"The laws permitting income tax to be collected in Ontario should be repealed and municipalities should look for their taxes from real estate and improvements thereon."

Abitibi Southern Will Begin Construction

From Our Own Correspondent

MONTREAL.—It is reported that work on the Abitibi Southern Railway will begin almost immediately. The new railway company proposes to erect lines which will connect Amos, P.Q., with Montreal and Ottawa. The projected road will connect with present railway lines at Maniwaki, and at Mont Laurier, P.Q. At a special meeting of the board several new directors were added. They are: R. S. Logan, formerly vice-president of the Grand Trunk Railway Company, of Canada; Henry Holgate, C.E., a leading consulting engineer, and the Hon. Nathaniel Curry, a member of the Canadian Senate and chairman of the board of the Canadian Car & Foundry Co., and a member of the directorate of numerous other companies. Mr. Logan was elected vice-president and general manager of the company, while Mr. Holgate was appointed chief engineer of the company in succession to the late Henry W. Wickstead, C.E., F.R.G.S.

The directors also decided on an increase in the authorized capital stock of the company to $10,000,000 to meet the requirements in construction, which programme was confirmed and authorized by a special meeting of the shareholders of the company.

LIST CURTISS-REID ON MONTREAL CURB

Company Has Order for Planes from South America

From Our Own Correspondent

MONTREAL.—The preferred and common shares of the Curtiss-Reid Aircraft Company have been listed, and are now traded in on the Montreal Curb Market. The prevailing prices for the shares are approximately $32 and $17, respectively.

The company's business consists of the manufacture of aeroplanes and the operation of an airport near Montreal. Its capitalization consists of 50,000 shares at $30 par value preferred and 100,000 shares of no par value common. The preferred was initially offered to the public with common stock purchase warrants attached; these entitled the holder of the preferred to purchase two common shares on or before January 1, 1939 at $16. The common shares carried warrants which allowed them to purchase additional common, share for share, at the same price up until the same date.

In addition to the company's outstanding common stock there is reserved 200,000 shares to allow for the ultimate exercise of the stock purchase warrants.

South American Order

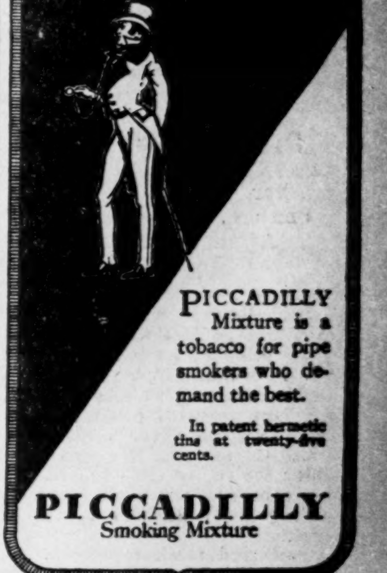
Curtiss-Reid have completed arrangements for the supply of a number of Reid Ramblers to one of the Latin American governments in South America. The sale was effected through the Curtiss Export Corporation. A modern steel and brick factory will be erected at the Reid airpark, and the company recently acquired an additional 66 acres of land at the airpark, which increases the total area to 243 acres.

As at November 28, the company had total net assets of $1,550,000, of which $1,273,720 represented cash, against total liabilities of only $21,774. Land and buildings were shown at $212,000. Curtiss Aeroplane & Motor Company, Inc., of the United States, is credited with holding over 50 per cent. of the common stock of the Canadian company.

A. & P. Expands Outside Toronto

While the Great Atlantic & Pacific Tea Co. heretofore has confined its Canadian chain operations to Montreal and Toronto, Canadian Grocer says that expansion outside Toronto is planned for the near future.

A store already is operating in Mimico and other stores soon will be opened in Hamilton, Bowmanville and Brampton. A lease also has been secured for a new store on St. Clair Avenue, Toronto.



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PICCADILLY Mixture is a tobacco for pipe smokers who demand the best.

In patent hermetic tins at twenty-five cents.

PICCADILLY
Smoking Mixture

NEW ISSUE

$2,500,000

Canadian Power & Paper Investments
LIMITED

5% Cumulative Convertible Preferred Stock
Par value $50

Preferred as to dividends and assets. Dividends accrue on this issue from February 1st, 1929, and are payable quarterly on the 15th of May, August, November and February. Redeemable as a whole or in part, at any time after January 1st, 1934, at the option of the Company, on sixty days' notice at 105% of the par value. Convertible at any time at the option of the holder, share for share into the no par value Common Stock of the Company, or in the event of redemption, up to ten days before the date of redemption specified in the redemption notice.

Transfer Agent : Montreal Trust Company
Registrar : Canadian Trust Company

CAPITALIZATION*

	Authorized	Issued and to be issued
5% Thirty-year Debentures maturing 1958 (Series "A")	....	$2,500,000
5% Cumulative Convertible Preferred Stock $50 par value (100,000 shares)	$5,000,000	2,500,000
Common Stock of no par value	250,000 shs.†	100,000 shs.

* Subject to issue of supplementary letters patent confirming by-laws referred to herein.
† 100,000 shares held in reserve to provide for the conversion of 100,000 shares Convertible Preferred Stock.

THE COMPANY : CANADIAN POWER & PAPER INVESTMENTS, LIMITED, was incorporated in 1920 under the laws of the Dominion of Canada, and was organized primarily to invest in selected securities of hydro-electric, public utility and pulp and paper companies, without necessarily aiming to acquire controlling interests. In February, 1928, the Company first made a public offering of its securities. The powers conferred upon the Company by its charter and its by-laws permit of the investment in other high-grade bonds or stocks, and have been designed to allow the management as great a degree of freedom of operation as is consistent with conservative financial practice.

ASSETS : The net assets of the Company, after giving effect to this financing, will consist entirely of investments, call loans, and cash, having a conservative value of over $6,500,000, equivalent to over $80 per share on the $50 par value Convertible Preferred Stock outstanding.

EARNINGS : The income of the Company is derived from the interest and dividends received from its investment holdings, to which may be added from time to time such profits as may accrue by reason of the sale of some part of the Company's assets or investments. Net income for the twelve months ended December 31st, 1928, after payment of Debenture Interest and Federal Taxes, amounted to over $300,000, which is equal to 2.4 times the dividend requirements of the Convertible Preferred Shares to be outstanding before receipt of any benefit from the additional capital to be provided by this financing.

CONVERSION : The $50 Convertible Preferred Shares may be converted into Common Shares without nominal or par value at the rate of one such Common Share for each Preferred Share offered for conversion, at any time up to ten days before the date of redemption specified in the redemption notice. The Company will keep available for conversion unissued Common Shares without nominal or par value of its Capital Stock sufficient to permit conversion of all Preferred Shares from time to time outstanding.

CAPITAL REORGANIZATION : The directors have passed by-laws, which are now being submitted to the shareholders for their ratification, reducing the capitalization from 25,000 shares 6% Convertible Preferred Stock and 100,000 shares Common Stock of no par value to 100,000 shares common stock of no par value, and increasing the capital stock when so reduced by the creation of 100,000 5% Cumulative Convertible Preferred shares of a par value of $50 and an additional 150,000 shares of Common Stock without nominal or par value, thus making the authorized capital as set out above.

MANAGEMENT : The management of the Company and the investment of its funds are under the supervision of an Executive Committee composed of Messrs. A. J. Nesbitt, J. B. Woodyatt, and P. A. Thomson, who act in a similar capacity for Power Corporation of Canada, Limited.

All orders will be received subject to the approval of the proceedings by Counsel and to the issue and sale of the shares as planned. The right is reserved to reject any application and also, in any case, to allot a smaller amount than that applied for. These shares are offered subject to prior sale and the conditions stated above as if and when issued and received by us and subject to ratification by shareholders.

It is expected that certificates will be available for delivery on February 1st, 1929.

Price: $50 per Share.

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton
London, Ont. Winnipeg Saskatoon Victoria Vancouver

Statements contained in this circular are not guaranteed but are based upon information which we believe to be reliable and upon which we acted in purchasing these securities.

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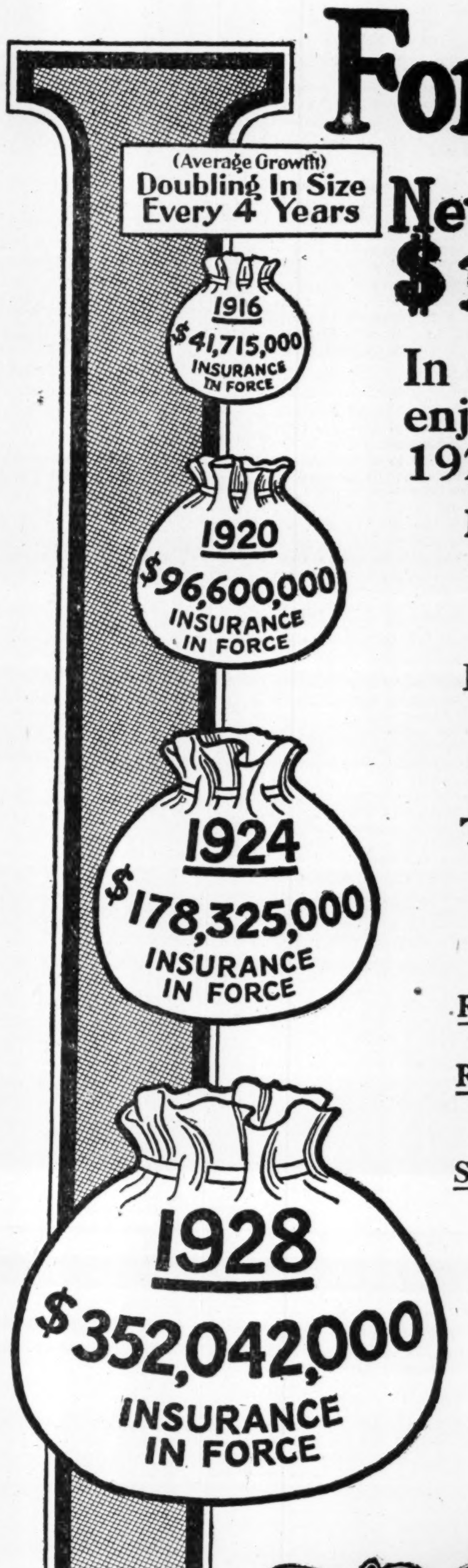


Forging Ahead!

New business exceeds $100,000,000.

In every respect the London Life enjoyed remarkable progress in 1928.

New Insurance Issued	$104,889,728
Insurance in Force	$352,042,076
Total Assets	$50,817,791

New Insurance Issued: Almost twenty millions greater than the business of the previous year.

Insurance in Force: A gain of fifty-six millions over 1927—the largest gain in any single year.

Total Assets: Include no speculative securities, and have grown from nine millions in the past ten years.

Rate of Interest earned on invested assets 6.5%.

Reserves for Policy Liabilities greater by $2,668,415 than required by Dominion Insurance Act.

Surplus Earnings—After meeting all Government requirements and in addition to providing for all profits due and accruing to policyholders the accumulated Surplus amounts to over $5,500,000.

The rapid growth of The London Life is due in large part to the public demand for insurance protection at guaranteed low premiums and low net cost.

Copy of the Fifty-fourth Annual Report will be gladly mailed on request.

London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

Canadian Dredge & Dock Earnings About $700,000 for Full Fiscal Period

This Is $14 Per Share on 50,000 Shares of Common

PREF. CONVERTED

Higher Returns Induce Exchange, While Company Appeals, as One of Most Stable

It is stated by a director of Canadian Dredge & Dock that earnings of the company for the full year 1928 will have been $14 per share on the 50,000 shares of common stock. The company reported profits in excess of $10 per share for the nine months ended October 31. The open fall enabled the company to continue with work beyond the usual date, thus adding about $200,000 to the 1928 profits.

Preferred stock rapidly is being converted. Conversions may take place at any time at the option of the holder on the basis of three common shares for one preferred. With the increase in the dividend rate on the common to $3 per year on February 1, to holders of record January 15, the return is greater from the common than from the equivalent number of preferred shares. The preferred price is approximately three times the market price of the common, but the preferred shows a tendency to lag and thus has given agile operators a chance to make a quick profit by buying preferred and selling common.

Return is Higher

With the company in a sound financial position, with contracts on hand which will keep its equipment busy until well in 1930, there seems no reason why virtually all of the preferred will not be converted shortly, now that dividends on three common shares are $9, compared with $7 on the one preferred share which is the equivalent. There are 15,000 shares of preferred outstanding, so that the company will have 95,000 shares of common outstanding if and when all the conversions take place. The preferred is callable at $107.50. The directors would probably call it in order to hasten conversion if at the end of a few months there were only a few shares outstanding. There is no funded debt.

The common this week sold up to $88. It has proved to be one of the best common stocks on the market in 1928. It was offered by McLeod, Young, Weir & Co., just a year ago at $20 per share. Moreover, buyers of the preferred received one-half share of common with each share of preferred of $100 par value.

Prospects Are Bright

From the investment point of view the stock is considered one of the most attractive in the construction industry. While a dredging company normally may expect wide fluctuation in earnings, it is noted that prospects of such a company operating along the Great Lakes and St. Lawrence are abnormal for the next several years, at least. Moreover, the company's cash position is such that it could continue present dividends for a number of years without further earnings.

Canal Means Work

As at December 31, 1927, working capital was in excess of $1,000,000, of which $246,000 was in cash. Reserves totaled $325,000. This included a special reserve against a difficult rock-removal job which has been accomplished, it is reported, without dipping into the reserve. Besides the capital surplus of $363,780, the balance sheet shows an "operating surplus" of some $526,000. This balance sheet showed investments in other companies of $2. This is thought to have included the dredging company's interest in the St. John Drydock company which has since been sold. The details of the transaction have not been revealed but it is said that somewhat more than $2 was contributed to the treasury of the dredging company.

Canadian Dredge & Dock is larger than its next four largest competitors combined, so that it is likely to get the bulk of the dredging work along the Great Lakes and the St. Lawrence in the next several years, at least. The Beauharnois power project, for instance, probably will mean great activity for this company and the completion of the Welland ship canal in two years will mean that all the Lake Ontario harbors and the Upper St. Lawrence harbors and channels must be deepened if the larger lake vessels are to find the new canal advantageous.

Alberta Pacific Has Handled More Grain

From Our Own Correspondent

MONTREAL.—The increase in the amount of grain moved from the prairies to Vancouver for shipment during 1928 should prove advantageous to the Alberta Pacific Grain Company. The company operates a large terminal elevator in Vancouver, and is in a position to take full advantage of the 1928 crop movement which was almost double that of the previous year. The bulk of the movement took place during the first half of the company's fiscal year, which ends June 30, and earnings are reported to be running around $10 a share.

Alberta Pacific occupies a leading position in handling grain in the province of Alberta, and operates some 325 elevators in the province. The company recently entered the milling field through the acquisition of the Victory Flour Mills of Vancouver.

The stock has been showing some activity lately on the Montreal Stock Exchange, and is traded in the neighborhood of 65.

Dominion Bridge Reported to be in Line for Big Order

From Our Own Correspondent

MONTREAL.—Large orders are reported to be forthcoming for Dominion Bridge in the near future. Though no official announcement has been made, indications point to the company receiving a contract for work which is expected to be undertaken on the International Nickel property. The tonnage requirements are said to be over 22,000 tons. The recent additions to its various plants will enable Dominion Bridge to take care of a volume of orders which formerly would have overloaded the company's equipment.

Investment Trust Shares to be Offered

It is understood that the investment banking house of McLeod, Young, Weir & Co. shortly will offer for investment shares in an investment trust.

While details are still to be settled, it is said that there will be only one class of stock, at a comparatively low initial price. The management will be in the hands of the issuing house and associates. There will be no management expenses until earnings are equivalent to seven per cent. per year on the whole of the paid-up capital. After seven per cent., it is understood, one-fifth of the profits will go to the managers and the balance will accrue to the benefit of all the shareholders.

BANKING PROFITS TOO LOW TO CARRY EXPANSION COSTS

General Manager of Bank of Nova Scotia so States

In an analysis of the profits of the Bank of Nova Scotia, J. A. McLeod, general manager, speaking at Halifax to the annual meeting, declared that while the increased earnings were a source of satisfaction, the margin of profit in the banking business was still too narrow.

Mr. McLeod said:

"The public has a somewhat mistaken notion in regard to the profits of the banks, for there is no line of business in which the margin of profit is so small when consideration is given to the risks involved and to the large volume of transactions. Certainly banking profits are not comparable to those of other financial institutions and large industrial corporations. Notwithstanding largely increased expenses, such as salaries, taxes and other overhead charges, the rates for banking services are still practically at the pre-war level. If the banks of the country are to do their proper share in its development, their system of branches must be steadily extended, particularly into the outlying districts and newer sections of the country where the prospects of profitable operation are somewhat remote, to say the least, and to do this their earnings must be maintained at a high level.

The two vacancies on the board of directors were filled. A. L. Ellsworth, president of the British-American Oil Company, of Toronto, took the vacancy caused by the retirement of Charles Archibald, a former president and vice-president of the board. Hon. F. B. McCurdy, of Halifax, was appointed in place of Hon. MacCallum Grant, a former Lieutenant-Governor of Nova Scotia.

Standard Paving Pays $2 on Common Stock

Standard Paving, which has had a successful year, paid dividends and bonus amounting to $2 per share. The regular dividend of $1.50 per share was supplemented by two bonus payments of 37½ cents and 12½ cents per share, it was announced from Ottawa last week.

Earnings were reported to have been $240,000, which is in the neighborhood of $4 per share, after taxes, depreciation and other deductions had been provided for. Cash and equivalent assets are stated to amount to upwards of $700,000.

Dominion Oil May Buy Company in Hamilton

It is reported that Dominion Oil is about to purchase the Crown Oil Co., of Hamilton, through an exchange of stock and that a meeting of the interested parties will be held to consummate the deal.

Crown Oil is distributor for Ontario of Veedol products and operates a large number of filling stations in and around Hamilton and have over 800 distributors of Veedol oils in Ontario. Last year Crown handled 700,000 gallons of gasoline and 360,000 gallons of motor oils.

It is expected further announcement will be made shortly of the acquisition of another company, rounding out a large distributing organization for gasoline and oils.

Dealers' Budget System Willys-Overland Feature

Speaking at the dealers' and distributors' convention of the Willys-Overland held in Toronto recently, T. A. Russell, president of the Canadian company, outlined the new budget system which the company has made available to large and small dealers.

Discussing the growth of the Canadian automotive industry in the past few years, Mr. Russell mentioned that Willys-Overland's Canadian business had increased 44 per cent. during 1928.

Kerby Is Director of Durant of Delaware

Roy D. Kerby, general manager of Durant Motors of Canada, is one of the directors of Durant Motors, Inc., of Delaware, the holding company for the various United States Durant companies and the company which owns about 40 per cent. of the stock of the Canadian company.

Other directors of Durant Motors, Inc., are F. J. Haynes, president, to succeed W. C. Durant; Ralph A. Vail, John A. Nichols, Jr., A. H. Henniger, R. T. Hodgkins and George H. Phelps. Mr. Durant has relinquished his position as president because of the pressure of other interests.

AUTOMOBILES IN THE NORTH

Automobiles, hitherto unused in northern transportation, are being used this winter over the trails and lakes between The Pas and Flin Flon, a distance of 100 miles. Between Cranberry Portage and Cold Lake automobiles, aeroplanes, tractors and snowmobiles are making regular trips.

BIG CONTRACT FOR REO

A fleet of Reo speedwagons, which will take two years to build, has just been ordered from the Reo Motor Car Company by the Western Electric. It is understood that the cars are to be used in the Movietone newsreel work.

Automobile Industry in Canada

MONTREAL MOTOR SHOW IS SUCCESS FROM INCEPTION

Increased Attendance Over 1928—White Prince Holds First Court

SETTING ATTRACTIVE

Exhibition Well Planned and Well Carried Out—Housed in New Stadium Building

From Our Own Correspondent

MONTREAL. — The Montreal Motor Show is being held in an orchard in full blossom. The three floors which are housing the 1929 exhibition of automobiles in the Stadium building of the Montreal Exhibition Company, have been elaborately decorated. Pillars have been transformed into tree trunks, and a mass of apple blossoms throughout the building make an attractive setting for the new cars.

The whole show has been excellently laid out, wide aisles make for easy visibility and tend to lessen the congestion of the crowds. Ventilation is good, and the 115,000 square feet of floor space has been used to the best advantage. Generally speaking, the Montreal Motor Show bids fair to be the most attractive in Canada.

All varieties of cars are shown on the first two floors of the Stadium Building; the third floor is devoted exclusively to trucks. Of the thirty-eight makes of cars, all were shown at the Toronto show with the exception of the new Windsor Motors White Prince. Considerable space is given to this exhibit, the first production of the re-organized Moon Motors.

The White Prince

The White Prince is made in a six cylinder and two eight cylinder designs. These last two are identical, except that the 8/92 is constructed with a four speed forward gear shift. The car is made in the roadster, cabriolet, victoria, petit sedan, 5 pass., and 7 pass., sedan models. It is engined by Continental, and is fitted with Delco ignition and four wheel hydraulic brakes. It is built on double drop frame 7 inches in depth, well sprung, lubrication is entirely automatic. Steering gear consists of Ross cam and lever, with an 18-inch steering wheel. Lamps are adjustable twin beam chromium plated bullet type, with prop mounting. Wheelbase is 125½ inches.

The White Prince develops 88 h.p. at 3,100 r.p.m. Transmission on the model 92 consists of four forward speed Hy-Flex with two high gears. The model 82 has a final gear ratio of 4.88 to 1, with three speeds forward. The White Prince is built on rakish lines, and is a smart looking car.

Attendance Shows Increase

Attendance at the Motor Show is showing a substantial increase over last year. As attendance figures are the yard stick by which the success of any exhibition can be gauged, it is felt that the 1929 show is fulfilling the highest hopes of its sponsors. Following are the officers and directors of the association which is staging the exposition: Aime Grenier, pres.; H. D. Jones, vice-pres.; T. R. Price, treas.; Omer de Serres, sec.; J. O. Linteau, J. E. Smith, F. A. Nancekivell, directors, and A. Levesque, general manager.

Dealer Conventions Held

There have been several meetings of dealers and executives in Montreal during the past week.

Winter motor travelling from the United States to the Province of Quebec has increased in a substantial degree during the past year. The final returns from the 28 points of entry along the border show an increase of 26,000 cars entering Quebec during November and December, 1928, over the same period in 1927. The figures for the two months of each year are:

1927 .... 32,000 cars.
1928 .... 58,000 cars.

Including the figures from the 28 points of entry from the U.S. and the influx of cars by way of the Toronto-Montreal highway the total for the year stands at 509,886 cars. The total increase of motors coming from the U. S. during 1928 was about 130,000.

POTENTIAL BUYERS AT TORONTO SHOW

Officials Declare Event Should be Made Annual Affair

The National Motor Show, held recently in Toronto, was visited by approximately 61,000 people, according to figures announced by W. L. Cowan, manager of the show. The objective for the seven days had been set by the management at 50,000.

Optimistic salesmen have reported that 90 per cent. is a conservative estimate of the proportion of visitors to the show who were potential customers. That is probably slightly exaggerated, but it was a fact that an all-motor show attracts more of the car-buying public that such a show when combined with or incorporated into an industrial exhibition.

Nearly all the exhibiting manufacturers staged their dealers' and distributors' sales conferences to coincide with the dates of the show and reported encouraging business during the year past and expressed confidence in the future of the automobile industry in Canada.

On account of the success of the venture, which was the largest all-passenger-car exhibit ever held, great hopes are held by show officials that the affair will be an annual event. The public support was shown to be there, and the dealers and manufacturers will not hesitate to take advantage of the efficient method of placing their products before the public.

General Motors Creates Pontiac Sales Division

E. R. Birchard, formerly assistant sales manager of the Chevrolet Division of General Motors of Canada, has been appointed general sales manager of the newly created Pontiac division. Formerly Pontiac sales were handled by the same sales division which takes care of Buick sales, and which was under the direction of G. E. Ansley.

DURANT ELECTS HAYNES PRESIDENT

Former Dodge Chairman Chosen to Succeed W. C. Durant

F. J. Haynes, formerly president and chairman of the board of Dodge Brothers, has been elected to the presidency of Durant Motors, Inc., to replace W. C. Durant, whose announcement of his retirement recently created a sensation in financial circles.

Associated with Mr. Haynes on the new board are two other former Dodge Brothers' officials. Ralph A. Vail, who has been director of engineering and production of Dodge Brothers, will now act as vice-president in charge of engineering and production in the Durant organization. John A. Nichols, Jr., who will be secretary-treasurer for Durant, was formerly vice-president in charge of sale for Dodge Brothers.

The revised board of directors of Durant Motors, Inc., includes W. C. Durant, F. J. Haynes, Roy D. Kerby, A. H. Henninger, Ralph A. Vail, John A. Nichols, Jr., R. T. Hodgkins and George Harrison Phelps. R. T. Hodgkins has been previously announced as sales manager.

SPEAKER DEFENDS TIME PAYMENT PLAN

Canada Has One Car to Every Ten Inhabitants

Canada now has one motor car to every ten inhabitants, according to figures quoted by Frank A. Nancekivell, in addressing the Rotary Club of Montreal, at the club's luncheon last week. In his address on automobile distribution the speaker considered the continent as a whole, stating that the motor car industry in North America produced 4,630,000 units during 1928, with a capital investment of more than two billion dollars. Mr. Nancekivell predicted a production of 5,000,000 or more units for 1929. Motor sales represent 12 per cent. of total retail commodities value, he said.

Declaring that the history of the automotive industry was a most romantic story, the speaker pointed out that since 1900, when the industry began to make itself noticed, it has outstripped all other industries in money value of output. To-day, on this continent, it ranks first with a total wholesale value of output of about $3,500,000,000.

Sixty per cent. of the motor vehicles sold on this continent according to the speaker, were bought on time payments. Mr. Nancekivell, in defending this system of selling, gave it as his opinion that most of the opposition to the instalment plan of automobile sales came from persons interested in other businesses. These people, he said, were afraid that easier ways to buy motor cars would hurt their own particular trade. "The system, by which people on a monthly earning basis, budget their expenses and enjoy the results of their labor while they are earning it, is a right and proper procedure," Mr. Nancekivell concluded.

MOON MOTOR CAR CO. ANNOUNCES NEW LINE

Has Four-Speed Transmission and Straight Eight Motor

The Moon Motor Car Company of St. Louis, is now in the market with a new line of motor cars incorporating a straight-eight motor. The new product is known as the Windsor line, the roadster being named "The White Prince," in honor of H. R. H. the Prince of Wales.

Declared by officials to be the product of two years' study and experimentation, the new car has several distinctive characteristics. The motor, engineered by Continental, is of the straight-eight type, fitted with a high-compression head and weighs only eight pounds per horsepower. A Hy-Flex four-speeds-forward transmission is also fitted.

The body lines are of French influence, with patented radiator design, and the bulged Belgian fender. The chassis frame is exceptionally sturdy, being of the original Dreadnaught double-drop, double-seven design. This design calls for a steel frame seven inches deep braced with seven cross-members. Chassis lubrication is fully automatic.

It was expected that the Windsor line would be on view at the National Motor Show in Toronto, but owing to unavoidable delay in the car's arrival there, no space could be secured. It was shown, however, in a large parking garage, adjacent to the building where the show was held.

Load Limit Modification Is Expectation in Ontario

Modification of the load limits now laid down by the Highway Traffic Act at the coming session of the Ontario Legislature is expected as a result of changed conditions brought about by mechanical improvements in motor trucks.

By means of greatly improved steering mechanisms, it has been found that a greater share of the truck's burden can be borne on the front axle than has hitherto been thought advisable.

HAVE ABSOLUTELY NEW IDEA BAKING MACHINE, patented. Will revolutionize one line of baking. Sell one-third interest for $20,000. Will bring you $20,000 per year.
Box 481, The Financial Post, Toronto, Ont.

The Canadian Bank of Commerce

Dividend No. 168

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1929, and that the same will be payable at the Bank and its Branches on and after Friday, 1st March next, to shareholders of record at the close of business on the 14th day of February, 1929. The transfer books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 18th January, 1929.

DIVIDEND NOTICE

SECURITIES HOLDING CORPORATION LIMITED

Notice is hereby given that a Dividend at the rate of 6% per annum on the 6% Cumulative Preferred Stock of the Corporation from the respective dates of issue until 31st day of January, 1929, will be paid on the 1st day of February to Shareholders of record in the books of the Corporation on the 15th day of January, 1929.

R. LLOYD-JONES,
Secretary.

CONTENT OF SIX ALMOST TOTALLY CANADIAN-MADE

General Motors President Predicts 90% In Three Months

Dealers and distributors of the Chevrolet Six for Quebec, Eastern Ontario and the Maritime Provinces, at a luncheon recently held in Montreal, heard R. S. McLaughlin, president of General Motors of Canada, declare that in three months time, 90 per cent. of the content of the new car would be of Canadian manufacture.

General Motors, according to its president, is paying a great deal of attention to the future of the automotive industry. Mr. McLaughlin, who was speaking briefly on the various activities of General Motors, declared that making motor cars was only one of many things his company were doing. In order that its product should be marketed by men with the best of training, he said, the company had established a service school at Oshawa and were conducting travelling service schools to reach dealers' service men.

There is also an accounting company which works out and instals dealers' accounting systems, adapting each system to the individual case. Building layout services, available to all dealers, and in fact, all sorts of research work, having the improvement of dealers' facilities and services as its object, are being undertaken by General Motors.

New Body Factory Added To Present Auburn Plant

The Auburn Automobile Company recently purchased the plant and business of the Central Manufacturing Company. The Central plant adjoins the Auburn factory at Connersville, and has made bodies for Auburn for some time. The addition of the Central buildings will bring Auburn's floor-space up to 1,500,000 square feet, with a capacity of 250 units daily.

Revenue from Oil

Alberta's oil fields added about $2,000,000 to the revenue from natural resources in the Dominion, according to unofficial figures gathered by the Calgary Herald, covering the year's production in Turner Valley and Wainwright fields. According to these a total of 485,318 barrels of oil were produced in the province, Turner Valley accounting for 373,795 barrels of naphtha and 104,604 barrels of crude oil. The value is determined by rating the value of naphtha at $4.25 per barrel and crude oil at $3 per barrel.

Use More Tractors

In Manitoba there is one tractor for every 4.6 farms; in Saskatchewan one for every 4.7 farms and in Alberta one for every 7.5 farms. The mechanical equipment has been a material factor in the large increase in area under field crops in the Prairie Provinces, which has increased from 3,600,119 in 1900 to 38,858,263 acres in 1928. Practically 8,500,000 of this increase has taken place since 1920.

Textile Executive

(Available March First)

THIS man is thoroughly trained in sales, sales promotion, advertising, budgetary control of finances and production, and accounting.

Thoroughly familiar with retail and jobbing outlets in Canada.

He has clean history and a reputation for dependability.

A meeting can be arranged or particulars obtained through

C. B. STENNING
143 University Ave.,
Toronto Phone Ad. 5741

The Royal Bank of Canada

DIVIDEND No. 166

NOTICE is hereby given that a Dividend of Three per cent **(being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Friday, the first day of March next, to shareholders of record at the close of business on the 31st day of January.**

By order of the Board.
C. E. NEILL,
General Manager.
Montreal, Que., January 11, 1929.

The Bank of Toronto

DIVIDEND No. 190

Notice is hereby given that a Dividend of Three per cent., upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of March, next, to shareholders of record on February 15th, 1929.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Toronto, January 16th, 1929.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 15

A DIVIDEND of Twenty-five Cents (25c) per share on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED (after having been split four for one) has been declared for the three months ending January 31st, 1929, payable February 15th, 1929, to shareholders of record January 31st 1929.

By order of the Board.
L. C. HASKELL,
Secretary.
Montreal, December 21st, 1928.

DURANT DEALERS HEAR OF PROGRESS

1928 Output Totalled 15,438 Cars — Kerby Made Director

Roy D. Kerby, general manager of Durant Motors of Canada, has been elected to the board of directors of Durant Motors, Inc. Announcement was made at a banquet to Durant dealers from all over Canada held in Toronto. More than 1,000 members of the Durant dealer organization were present.

In addressing the dealers Mr. Kerby stated that the financial position of the company at present was the strongest in the history of the company. The dealer organization in Canada which now totals 656 was increased by 91 new dealers during 1928. Sales in Canada during 1928 increased by 37 per cent. over 1927, and during the same period exports of the company increased 42 per cent. Truck sales increased 422 per cent. in 1928 over 1927. May, 1928, was the largest month in the history of the company and showed an increase in sales of 63 per cent. over sales in May, 1927. Production of cars in 1928 was 15,438.

Dealers from coast to coast attended the convention.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after FRIDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1929.

By Order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 22nd January, 1929.

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 30th January, 1929, at twelve o'clock noon.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 22nd November, 1928.

The
Brading Breweries
Limited

Common Dividend No. 20

NOTICE is hereby given that a Dividend of Fifty Cents (50) per share, upon the No Par Value Common Stock of this Company, has been declared Payable February 1st, 1929, to shareholders of record at close of business January 15th, 1929.

By Order of the Board,
OTTAWA
January 5, 1929.
John Rankin,
Sec.-Treas.

Tender For Investment of Funds

Sealed tenders for the investment of the Funds of the Synod of Huron, London, Ont., will be received by the undersigned up to 1st March, 1929, from whom full information and form of tender may be obtained.

The Incorporated Synod of the Diocese of Huron,
W. J. DOHERTY,
Secretary-Treasurer,
Box 307, London, Ontario.

QUEBEC POWER COMPANY

Notice of Redemption

To the holders of the Series "A" Thirty Year Six Per Cent. First Mortgage Sinking Fund Gold Bonds and Registered Debenture Stock of Quebec Power Company.

NOTICE IS HEREBY GIVEN that pursuant to the terms of the Trust Deed of Hypothec, Mortgage and Pledge from Quebec Power Company to National Trust Company, Limited, Trustee, dated October 25th, 1923, and Supplemental Trust Deed dated December 21st, 1923, securing the above mentioned Bonds and Registered Debenture Stock, Quebec Power Company will redeem all of its outstanding Series "A" Thirty Year Six Per Cent. First Mortgage Sinking Fund Gold Bonds and Registered Debenture Stock (which would, according to their terms, mature and become payable on October 1st, 1953) on the first day of April, 1929, at one hundred and seven and one-half per cent. (107½%) of the principal amount thereof, together with accrued interest on such principal amount to the said first day of April, 1929.

The said Bonds will be so redeemed at the principal office of the Royal Bank of Canada in the Cities of Montreal or Toronto, Canada, or at the principal office of the Bank of the Manhattan Company in the City of New York, in the Borough of Manhattan, State of New York, and bondholders are required to present their bonds with all unmatured coupons pertaining thereto for redemption at one of the said offices on the said date.

The said Stock will be so redeemed at the principal office of the Royal Bank of Canada in London, England, and holders of the said Stock are required to present their Stock certificates for redemption at the said office on the said date.

In case such Bonds and Stock are not so presented for redemption on the first day of April, 1929, all interest on said Bonds and Stock will cease from and after the said date.

DATED at the City of Quebec, this 1st day of December, 1928.

QUEBEC POWER COMPANY,
(Sgd.) James Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Bonds may surrender the same at any of the offices where such Bonds are payable as aforementioned, and holders of the said Stock may surrender their Stock Certificates at the office where such Stock is payable as aforementioned, at any time on and after January 1st, 1929, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and seven and one-half per cent. (107½%) with interest accrued on such Bonds or Stock to the date of surrender thereof.

QUEBEC POWER COMPANY,
(Sgd.) James Wilson.
Secretary.

THE TORONTO GENERAL TRUSTS CORPORATION

Notice is hereby given that the Annual General Meeting of the Shareholders of The Toronto General Trusts Corporation will be held at its Head Office at 253 Bay Street, in the City of Toronto, on

Wednesday, the 6th Day of February, 1929 at the Hour of 12 O'clock Noon

to receive and consider the Annual Report and Financial Statements of the Corporation for the year ended the 31st Day of December, 1928, to consider amendments to existing By-laws, to confirm the action of your Directors in the erection of an addition and alteration to the Corporation's Head Office building at Toronto, and also in the opening of a Branch Office in the City of Regina and the purchase of the assets, including the office building, of the Saskatchewan Mortgage & Trust Corporation, of Regina, Saskatchewan, and to elect directors for the ensuing year, as well as for the transaction of such other business as may be brought before the Shareholders.

By Order of the Board of Directors

Toronto,
January 22nd, 1929.
W. G. WATSON,
General Manager.

POSITION WANTED

Canadian, in early thirties, unmarried, at present holding a responsible position in a Chartered Bank, would like to enter employ of an established brokerage firm.

Experienced executive and correspondent with a very broad financial training, reliable and a hard worker. Capable of managing a branch office but willing to accept a minor position until capacity is established.

If you are looking for this type of man, why not arrange an interview?

Box 479, The Financial Post, Toronto, Ont.

EXPERIENCED NEWSPAPERMEN

(1) High grade reporter preferably with experience in handling mining or financial news.

(2) Experienced desk man, preferably with financial experience.

Tell all in first letter.

BOX 477, THE FINANCIAL POST, TORONTO

BOND SALESMAN WANTED

To represent high class bond house in Toronto. All replies treated confidentially.

BAKER ADVERTISING AGENCY, LIMITED
204 Richmond St. W. - - Toronto

DIVIDEND NOTICE

Massey-Harris Company Limited

Preference Stock Dividend No. 13

Notice is hereby given that a dividend of 1¾% on account of dividends for the present fiscal year has been declared on the 7% cumulative preference stock of the Company.

The above dividend is payable on and after the Fifteenth day of February, 1929, to shareholders of record at the close of business on the Thirty-first day of January, 1929.

By order of the Board.
C. N. APPLETON,
Secretary.
Toronto, 21st January, 1929.

GEORGE WESTON LIMITED

Preferred Dividend Notice

Notice is hereby given that a dividend of one and three-quarters per cent. for the three months ending January 31st, 1929, (being at the rate of seven per cent. per annum) has been declared on the 7% Cumulative Preference Shares of the Company, and will be payable on or after February 1st, 1929, to the Preferred Shareholders of record at the close of business on the 19th of January, 1929.

CHARLES W. KERR,
Secretary.
Toronto, January 21st, 1929.

McIntyre Porcupine Mines, Limited

(No Personal Liability)
DIVIDEND NO. 41

Notice is hereby given that a dividend of five per cent. (5%) on the issued Capital Stock of the company will be paid on the 1st day of March, 1929, to shareholders of record at the close of business February 1st, 1929.

By order of the Board.
BALMER NEILLY,
Treasurer.
Dated at Toronto, January 17th, 1929.

INTERNATIONAL PAPER AND POWER COMPANY

New York, December 26th, 1928.

The Board of Directors have declared a quarterly dividend of sixty (60c.) cents a share, on the Class A Common Stock of this company, payable February 15th, 1929, to Common Stockholders of record, at the close of business February 1st, 1929.

Checks to be mailed. Transfer books will not close.

R. G. LADD,
Assistant Treasurer.

Lake of the Woods Milling Company, Limited

Dividend Notice

Notice is hereby given that a dividend of 1¾ per cent. on the Preferred Stock of the company for the three months ending February 28th, 1929, be declared payable on Friday, March 1st, 1929, to shareholders of record at the close of business on Saturday, February 16th, 1929.

By order of the Board.

M. H. HUTCHISON,
Secretary.

Notice is hereby given that a dividend of 80c. per share on the Common Stock (of no nominal or par value) of the Company for the three months ending February 28th, 1929, be declared payable on Friday, March 1st, 1929, to shareholders of record at the close of business on Saturday, February 16th, 1929.

By order of the Board.

M. H. HUTCHISON,
Secretary.

Christie, Brown & Co. Limited

Dividend Notice

Notice is hereby given that a dividend of thirty cents (30c.) per share on the issued Common Shares in the Capital Stock of this Company for the period from the first day of November to the thirty-first day of January, 1929, has been declared payable to the shareholders of record at the close of business on the twenty-first day of January, 1929, and that such dividend be payable on the first day of February, 1929.

By order of the Board.
J. C. MILLAR,
Secretary.

LAMONTAGNE LIMITED

In Liquidation
CALL FOR TENDERS

Notice is hereby given that the joint liquidators of Lamontagne Limited will receive in their office, Hermas Perras, 84 Notre Dame Street West, or The Royal Trust Company, 105 St. James Street, Montreal, until noon on the 29th January, 1929, tenders for the purchase of the assets of this Company in liquidation, as follows:

1.—"En Bloc," including the good-will, or

2.—For the moveable assets, including good-will, and the real estate, separately.

3.—Under separate heads, including: (1) Real estate; (2) Stock in trade of trunks, bags; (3) Stock in trade of harness and saddlery; (4) Stock in trade of motor accessories; (5) Book debts; (6) Rolling stock; (7) Machinery and fixtures.

A security deposit of an accepted cheque equivalent to 10% of the offer, payable to the joint liquidators, The Royal Trust Company and Hermas Perras, should accompany the offer.

Terms:—Cash on delivery, which is to be taken within thirty days from the acceptance of the offer by the joint liquidators.

The joint liquidators will be free to accept or refuse all or any of the tenders submitted.

FOR SALE
Flour Mill Property Carleton Place, Ontario

We have been authorized to offer for sale the Flour and Grist Mill formerly occupied by H. Brown & Sons, Limited. The plant consists of a large stone mill and approximately three acres of ground bordering on the Mississippi River and adjacent to the main line of the Canadian Pacific Railway twenty-five miles west of Ottawa. The plant is suitable for a flour mill, distillery, general factory or garage. Immediate possession. Property may be inspected at any time and no reasonable offer for the same will be refused. Apply to

YORK & AYLEN, Solicitors,
56 Sparks Street,
OTTAWA, Canada,
Telephones Queen 7411 and 7412.

Wayagamack Pulp & Paper Company, Limited

DIVIDEND No. 16

Notice is hereby given that a Dividend of Seventy-five Cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending February 28th, 1929, payable March 1st, 1929, to Shareholders of record at the close of business on February 15th, 1929.

By order of the Board.
D. L. ADAMS,
Secretary-Treasurer.
Montreal, Que., January 17, 1929.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXIII — Member of Audit Bureau of Circulations — PUBLICATION OFFICE: TORONTO, JANUARY 25, 1929 — 10c. a Copy; $5.00 a Year — No. 4

OTTAWA SEEKS GOLDEN MEAN ON RAIL LINES

Will Essay "Saw-Off" Between C.N.R. and C.P.R.

SWAP AREA FOR AREA

Government Will Support National Lines in Some Lines But Recognizes C.P.R. Rights

From Our Own Correspondent

OTTAWA.—The opening shots in the branch line fight have been fired by the presidents of the two railway companies and have been followed by an ominous silence. What the railway companies are doing at the present moment is not considered at Ottawa to be a matter of very great importance. As the government and departmental officials see the branch line situation, it lines itself up about as follows:

1. The efforts at mediation have failed and the conferences between the two roads, while not completely abandoned, are of a purely formal and inconsequential character.

2. Both railway managements are confident of the outcome of the impending fight before parliament and are concentrating every effort on putting forth their maximum power in that field.

Both Sides Expect to Win

This is a situation which requires some fast thinking by the government. The branch line fight has stirred the prairie provinces very deeply and there have arisen, particularly in the constituencies affected by the branch line proposals, groups of important and influential persons who are violently partizan to one or other company. Feeling is running very high and ordinary political allegiance has been quite blotted out.

There is great political danger in this condition for the government, and hence the concentration upon the problem by cabinet ministers. Unfortunately, the controversy is not in a position where a solution can be applied. Obviously a solution can only be found in a compromise and a compromise is quite out of the question where both contestants are certain they are going to win. If the fight had reached a point where both were in fear of losing out on some important point, then the task of the mediator would be simplified. As a matter of fact, the rôle of mediator is all that the government hopes to play. It may be, and probably will be, true that the government will be compelled to champion the cause of the National railways in one or two branch line areas, but on the whole the government is anxious to hold the scales evenly between the two and not to be more solicitous of the National than of the C.P.R.

Government's Policy

Therefore, with both managements committed gladly to do battle before parliament, the government has ceased to worry about what the railways are up to in the meantime, and has striven to master the details of the problem and to devise, if possible, some middle way, some compromise, which may be presented to parliament when the fight is hottest and when, perhaps, everyone will be looking for a safe exit.

It must be remembered, of course, that the government policy is fluid and subject to change from day to day as new facts are discovered and new conditions arise, but at the present time a policy of compromise has been developed which may help to solve the branch line problem. This policy may be explained as follows:

1. The government will support the claim of the National railways to the area in northwestern Saskatchewan, south of the Beaver river and will suggest to the C.P.R. that it may build the proposed line from Prince Albert west, but ought to do so on a line farther north than the one announced.

2. As a solution of the dispute for the direct route between Saskatoon and Melfort, the government probably will suggest that the National railways get the line on condition that the C.P.R. receive running rights over it.

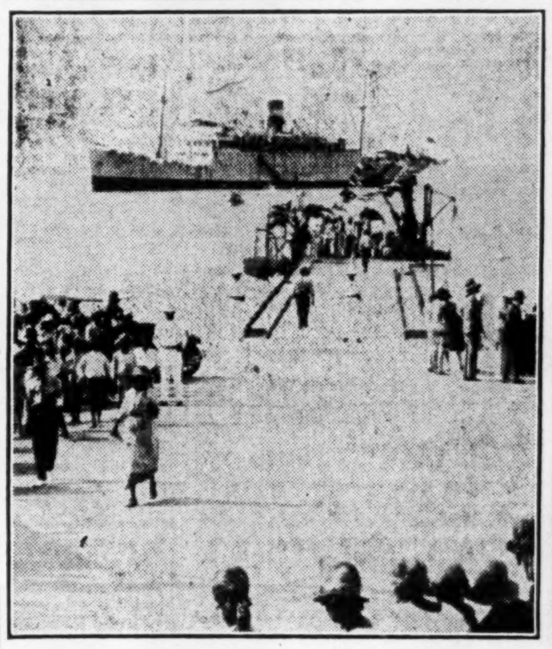
3. That the C.P.R. allow the National railways to share its terminal facilities at Swift Current, when the proposed branch from Neidpath to Swift Current is completed.

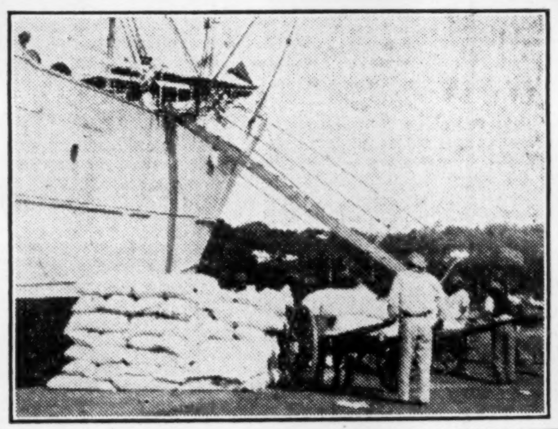
4. That the National railways give the C.P.R. running rights on the line now striking due north from Prince Albert. The C.P.R. could then begin the northern branch to Lac la Ronge from the present end of the National line and, also, could enter Prince Albert on this line from the east when the present C.P.R. line at Nipawin is extended westward for that purpose.

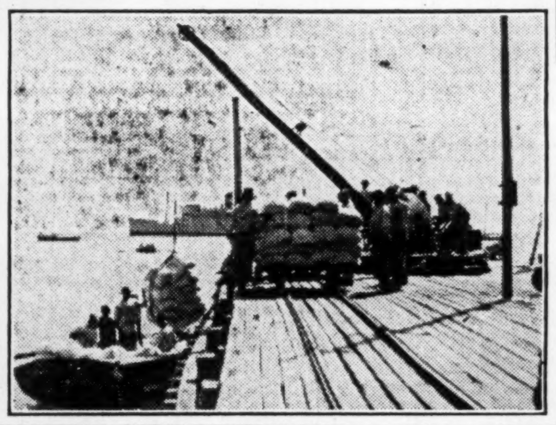
5. In return for running rights from Saskatoon to Melfort and north

(Continued on page 16)

New Canadian National Boat Service to B. W. I. Opens Trade Vistas







Photographs taken in the British West Indies, during the recent trip of the "Lady Nelson," inaugurating the new Canadian National Steamships service following the Canada-B. W. I. trade treaty.

Photograph above shows the "Lady Nelson" arriving at St. Kitts; centre photograph above shows official party being welcomed at St. Lucia by the administrator. Left to right are Gill Gardner, of Brockville, director of the C.N.R. and C.N.S.; Hon. Charles D. Doorly, administrator of St. Lucia; Hance J. Hogan, M.P., who negotiated the trade treaty; Peter Jack of Halifax, official Canadian Government representative on the cruise, and Col. Brown, assistant to the president, Canadian National Steamships. At right, above, is the reception at Montserrat, with the "Lady Nelson" in the background.

The two photographs below show the somewhat primitive lightering and stevedoring methods in use in several of the B. W. I. ports. The lower left photograph shows Canadian flour being landed at Castries, St. Lucia, and the lower right photograph shows flour being unloaded at St. Kitts.

Private Elevators, Mixing Grain Crop, Do Important Job

Much Discussed Question of "Grain Mixing" Put Under Sharp Analysis — Mixing Insures Farmer of Highest Price

FOREIGN BUYERS DO NOT KNOW ALL GRADES

By Our Western Editor

Frequent references to mixing of grain made at the sittings of the Saskatchewan Grain Inquiry Commission must arouse a considerable amount of interest in the subject and some wonderment as to what the practice actually is that is the subject of controversy. To understand the matter it is necessary to realize the importance and the necessary part that the private terminal elevators now take in the physical handling and in the marketing of the western crop, functions which they have fairly recently assumed in answer to the requirements of the business. In the early days of the grain trade in Canada such elevators were neither in existence nor were required. Terminal elevators were regarded as performing a purely storage function, to hold grain that might be deposited in them at the head of the lakes by either farmers or dealers and to store it until required for shipment. The first terminal elevators were established by the railways. Private capital then erected a certain amount of storage space, and later additional elevators were built either by the Dominion Government, or by the railways under Dominion Government control.

Line Houses Feed Terminals

In the earlier days of the trade the function of storing grain at the head of the lakes was regarded as entirely distinct from the business of trading in grain, and from the business of handling it at country elevators. With the changes that have come about in recent years, including the steadily increasing size of the western crop, a change in qualities, kinds and grades of grain produced, and the increasing complexities of marketing, the operation of the terminal elevator has come to be an integral part of the business of any large grain handling institution. The normal physical equipment of a company in the grain business consists of a line of country elevators and one or more terminal elevators, the capacity of the two balancing each other fairly well, so that most of the grain collected by the company's country elevators passes through its own terminal, while the line of country elevators is sufficient in extent to guarantee a fairly good handling to the terminal. The independent operation of a line of country elevators without a terminal may be said to be almost a commercial impossibility, while the same applies to a terminal not supported by one or more lines of country elevators.

It has also come about that the grain companies instead of operating terminal elevators simply to perform the public storage function are employed in the business of dealing in grain, so that a grain company buys and sells grain through its terminal elevator exactly as it buys grain at a country elevator. The marketing machinery for western grain has thereby been improved, or it might be better to say that the machinery has been adapted to the current needs of the market.

Haphazard in Public Terminals

In the elevators officially classed as Public Terminal Elevators, mixing of different grades of grain is not allowed. Grain of different grades must be binned separately and must be shipped out of the elevator in accordance with the grade under which it was received. The only processing which takes place in such an elevator is the cleaning out of weed seeds and foreign matter or drying of grain that may be required. In these elevators however, mixing of grain does take place within the same grade. Each separate bin in the terminal elevator will contain the grain from twenty-five cars or more, while in a cargo shipment from an elevator, grain from possibly 400 different cars is mingled together. Those cars may come from several hundred different points in the prairie provinces and may represent many different types and qualities of grain, the only common factor being that the grain all comes within the same official government grade. Such mixing in public terminal elevators is haphazard, accidental and uncontrolled. That fact is of some importance, not, let us say, in number one Northern or number two Northern, (although even there it has some significance) but in grades from number three down.

Wheat may be graded number three or lower for any one of many different defects. In the public terminal elevator there is necessarily a mixing of these various defects. It is part of the usefulness of the private terminal elevators that their mixing is controlled and that by giving necessary attention to the composition of the different cargoes that go out they are able to produce mixtures that are actually more satisfactory to purchasers than the haphazard mixtures of the public terminal elevators.

Mixing Begins on Farm

To understand why that is so now and was not so in earlier days, it is necessary to glance at conditions under which wheat is now produced. In the earliest days of wheat growing in the west there was a high degree of uniformity. The crop producing area was comparatively small, with some degree of uniformity in soil conditions, and a probable uniformity in weather conditions in a particular year. Seed strains were pure and the number of varieties very limited. Now, however, our crops lack uniformity for many different reasons. The wheat growing area is very large and embraces many different types of soil. There are some districts which never have produced, and probably never will produce, wheat of the same quality as that from the Red River Valley, which years ago made Number One Hard famous.

Climatic Conditions Have Effect

With an area so large, climatic conditions may be widely different in different parts. In one area, wheat may suffer from rust, in another from drought. In some parts there may be excessive rain and some districts may suffer from rust. Then, farmers are no longer growing only one type of wheat. Red Fife was the first variety of the hard red type to be grown in the west. It has been practically superseded by Marquis wheat but in many places farmers are trying out other varieties of the hard red type, varieties usually inferior in quality to Marquis for some reason or other, but also varieties considered to be more adapted to particular districts. In some districts hard white wheats are extensively grown, wheats considered desirable and useful on their own account but losing something of their value when they get mixed with other types of wheat.

Switching Their Grain Crops

Durum wheats are grown in some districts, mainly because of their rust-resisting qualities and these are not milled to produce bread flour at all but for the manufacture of macaroni, vermicelli and kindred products. Within each of those types of wheat there are many different varieties.

Farmers switch frequently, sometimes from deliberate choice, sometimes carelessly and sometimes through stress of circumstances, both from one variety of wheat to another and also from one type to another. Except where unusual care is taken to secure pure seed, such switching brings about a certain amount of resulting mixture in subsequent crops. Farmers switch also from one grain crop to another. Increasing quantities of rye sown result in certain amount of rye being seeded, by accident, with wheat or springing up as a volunteer crop.

Much Defective Seed

Mixing of grain, therefore, commences in the farmer's seed drill. Recent government tests of seed actually being sown by farmers indicated that much of it was defective because of containing weed seeds or had mixtures of other grain and that only a small fraction of it could be considered pure seed from the

(Continued on page 16)

WEST INDIES WOULD GAIN FROM UNION

But Little Hope Exists for Any Early Action

BUY OUR SECURITIES

Many Millionaires Among Small Population, and They Invest Large Sums in Canada

By HORACE T. HUNTER,
Vice-President, The Financial Post

Federation of the British West Indies would do more than anything else to increase the prosperity and buying power of the people of these Islands. I believe this was the unanimous opinion of all members of the official party on the "Lady Nelson" on her recent inaugural trip.

On this trip, I met and talked with governors, administrators, colonial secretaries and members of executive councils in all the Islands at which we called, and made a point of discussing this important question with them. Almost without exception they admitted federation was a thing "devoutly to be wished."

Such a plan would cut down government expenses and enable them to take united action on many important questions.

Three Important Conferences

Yet in spite of these admitted advantages, few of the important men had any hope of anything being accomplished along this line in the near future.

Three important conferences are being held this week in Barbados.

First is the West Indian Conference composed of representatives from the various islands of the British West Indies and British Guiana.

I saw the agenda of this conference and while it deals with many matters of general interest, they are mostly of a technical nature and there seemed to be no hope that the big question of federation would come before the conference in a practical or definite way.

This conference will be preceded by the convention of the Associated Chambers of Commerce, which is similar to our Canadian Chamber of Commerce. This body is composed of business men and while they have no legislative power, they will express the viewpoint of the men who pay the taxes and who are directly concerned with securing favorable

(Continued on page 16)

Serving a Vital Commercial Need, Honestly, Adequately and Economically

Bearing in mind that true credit is based on Character, Capacity, Capital.

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THE ONTARIO WINE CO. LIMITED
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A limited number of preferred shares available with a liberal common stock bonus.

Write or Phone directly to the Company.

Lakeside 5454

LAKE OF THE WOODS MILLING CO. Ltd.
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
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President and Managing Director: FRANK S. MEIGHAN, C.M.G.
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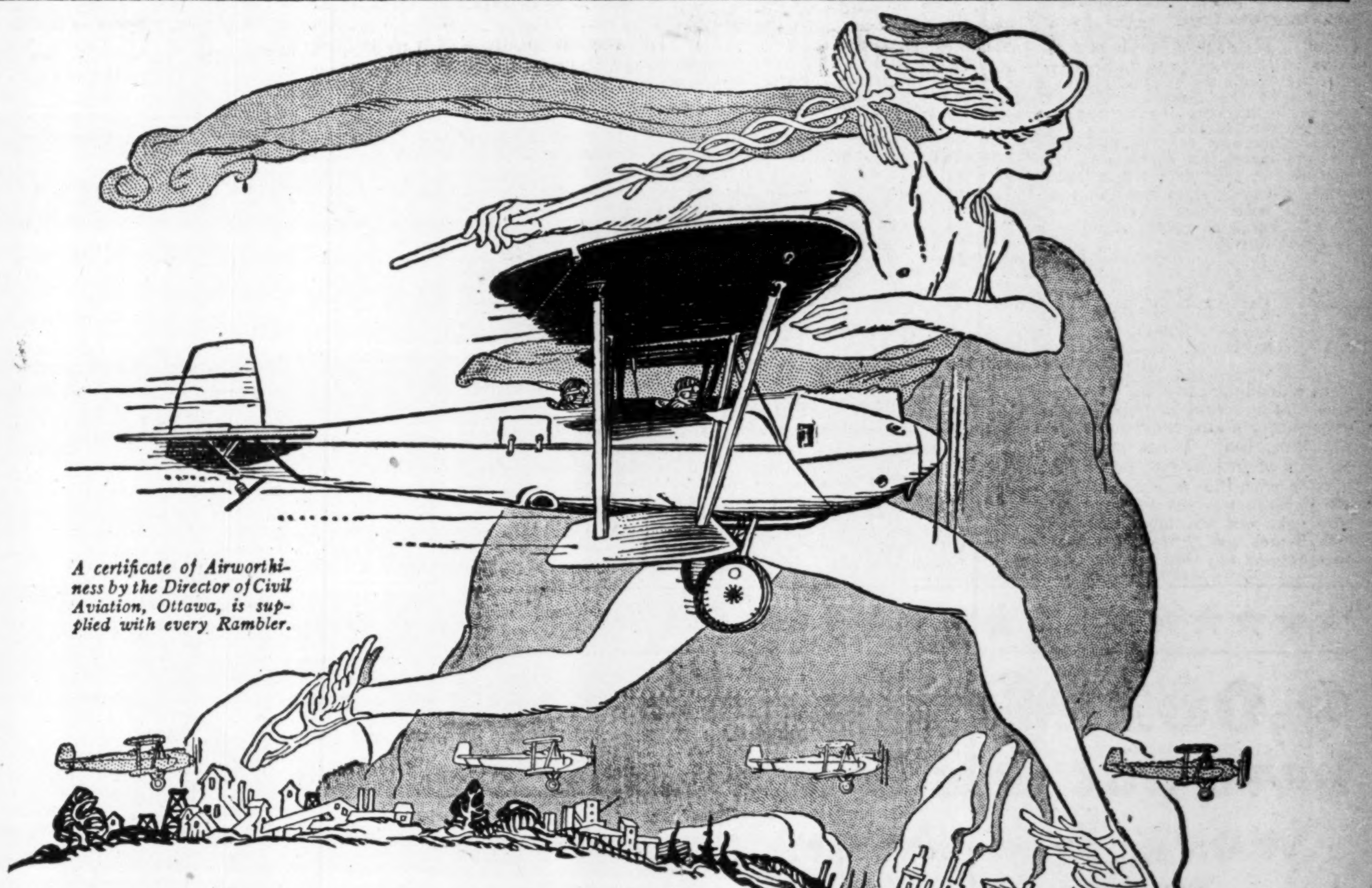
Secretary: M. H. HUTCHISON — Treasurer: T. F. McNALLY
Asst. Treasurer: A. C. McMILLAN



A certificate of Airworthiness by the Director of Civil Aviation, Ottawa, is supplied with every Rambler.

Wings!

THE ancients, seeking a Symbol for Commerce, found it in the winged heels—the distance-devouring pinions of Mercury—the god that annihilated space!

Wings! There is a spaciousness—a freedom—a limitless opportunity suggested by the very thought of wings that appeals not alone to the man of poetic fancy but equally to the practical man of affairs . . . the man face to face with the many problems of modern life—of modern business.

The Reid Rambler is a winged Symbol of Commerce. It signifies escape from all that seeks to retard development. It speeds up the channels of trade.

Progressive men everywhere realize this—and are seizing the opportunity the Rambler offers for swift, safe transportation.

The fame of the Cirrus engine, powering the Rambler, is world wide. It was used to fly from London to Capetown—and back; from England to Australia. It won the Britannic Trophy, 1929, the King's Air Cup in 1926 and 1927.

Its power and endurance are proven qualities—everywhere accepted. Fuselage and wings constructed of metal throughout assure strength—durability. The Rambler's flexibility, ease of control, economy of operation and maintenance make it the most up-to-date—the most perfect solution to all problems of rapid transportation.

The only all-metal light aeroplane is the ideal plane for Flying Clubs, Forest Patrols, Training Schools and—for the Private Owner who wishes to outdistance his competitors and bring distant markets to his very door!

Wings are for you! Learn to fly the Rambler. Lessons are easy with its simplified dual control or, if you wish, you may employ a pilot.

Write to-day for descriptive literature and prices.

RAMBLER
The Only All-metal Light Aeroplane

Curtiss-Reid Aircraft Company, Limited, Montreal
Airpark - St. Laurent, Que.

Insurance for Buyer and Seller

Auto Accident Risk Increases Directly With Mileage Growth

Provinces Should Supervise Auto Insurance Rates

EDUCATION NEEDED

Public Must Be Educated By Companies Carrying Auto Risks

A new angle in the discussion about increasing automobile accident frequency has been advanced by D. McIntosh, managing director of the Pilot Automobile and Accident Insurance Company in a statement regarding the recent raise in automobile insurance rates by the Canadian Automobile Underwriters' Association. "The clear and plain fact," said Mr. McIntosh, "is that the risk of accident increases absolutely in line with the increased mileage."

He continues:

"During the past few years there have been made available many facilities for travel by automobile which include the rapid extension of good roads and the increase in mechanical efficiency of the cars themselves. The annual mileage of the average automobile driver is much greater now than it was a few years ago and in addition the increased power of the modern automobile allows a greater radius of travel within the same period of time as compared with conditions prevailing even in 1923.

"Mechanical efficiency, rapid acceleration, increased maximum speed and four-wheel brakes all lend themselves to negotiating emergencies successfully. In addition there have been improvements in the science of traffic control to offset increasing congestion in urban areas. The unquestioned rise in the rate of accident frequency can be explained by the increasing mileage which the average driver gets from his car in the year. With every additional mile driven the driver is exposed to so many more chances of accident.

"The official statement issued by the Canadian Automobile Underwriters' Association reads in part:

"It is a matter of common knowledge that the accidents reported have been increasing steadily in the past few years probably due to the congestion of the highways and our city streets and to the greatly increased mechanical efficiency of all makes of automobiles (rapid acceleration, increased maximum speed, four-wheel brakes, etc.) and the consequent pronounced tendency on the part of many drivers to take undue chances.

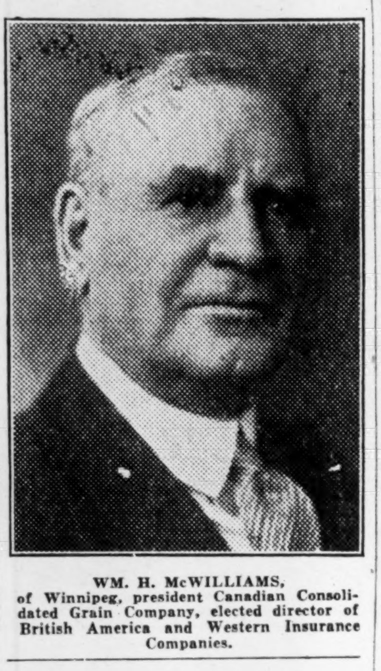
"In this there is really no definite statement, the report merely reading that accidents are 'probably due,' etc., etc. This statement may, however, be very misleading to any subsequent investigation such as is contemplated by the department of insurance and the Ontario Motor League. The causes shown as 'probably responsible' will not stand investigation.

"Insurance rates have decreased in face of a loss experience which gets worse each year. This decrease has been mainly brought about by companies entering Canada, anxious to establish themselves. They have been prepared to cut rates to do so. Naturally the public have benefited at the expense of the insurance companies, who in the majority of cases have operated at considerable loss for several years. Just how far the public have benefited from this competitive condition may be judged from the table set below. This compares rates charged in Toronto with those charged in the United States on public liability and property damage."

Comparison of Rates

Class	Car	Toronto P. L. & P. D.	Buffalo P. L. & P. D.	Cleveland P. L. & P.D.	Lowest Rate in N.Y. State Village & Farming Disct. P. L. & P.D.
W	Ford	$20	$64	$57	$29
X	Essex	20	75	63	39
Y	Buick	24	94	82	52

(Only three classes in U. S.—W. X. & Y.)



Insurance Director

WM. H. McWILLIAMS, of Winnipeg, president Canadian Consolidated Grain Company, elected director of British America and Western Insurance Companies.

In a leading editorial on the subject of the recent increase in insurance rates on automobiles The Oshawa, Ont., Daily Times brings up a number of interesting points in connection with the increases which will affect motorists throughout Canada who take out automobile insurance. The Times makes two constructive suggestions (1) that more active supervision of automobile insurance rates be made by the superintendent of insurance in Ontario and (2) that the insurance companies themselves should take positive action in promoting educational campaigns in the interest of accident prevention. The text of the editorial is given as follows:

"It seems to us that the automobile insurance companies are making a serious mistake in increasing the rates for insurance by 25 to 50 per cent. Under the new schedule a premium on four-wheel brake coaches, for example, which now stands at $69 gross, will be raised to $117.25.

"The heavy increases can only have one effect, and that will be to reduce the amount of insurance carried, as owners of cars who are not much inclined to insure anyway will certainly cut out the insurance at the higher rates.

"Either the very large increase in rate that is proposed is not justified, or else the insurance companies have been doing business at a tremendous loss, and we are not inclined to think the latter is the case.

"It seems to us that the insurance department of the Province of Ontario should have some supervision over rates in the interest of the public as well as in the interest of insurance companies.

Companies Should Educate

"The insurance companies defend the new rates on the ground that there have been so many automobile accidents resulting in claims for damages that the companies can no longer do business at the old rates at a profit. If this is true then we presume the insurance companies feel that one or other of two things must happen if they are to stay in business, either the premiums must be increased or the number of accidents must be reduced. But why not take some action in the latter direction?

"So far as we know, the automobile insurance companies have never indicated any particular interest in assisting to bring about a reduction in the number of automobile accidents. We do not recall that they have been represented in the educational work for safer traffic led by the department of highways and with which the Safety League, boards of trade, police departments, municipalities, Ontario Motor League and many other organizations have co-operated.

"If the insurance companies would spend a little money to assist in educational work to promote safer driving and also take steps on their own account to eliminate one light drivers and other forms of recklessness, they might be able to get along quite nicely with the present rates.

"The automobile insurance companies would not be breaking new ground in doing this. They already have the example of the life insurance and fire insurance companies along similar lines. Why do inspectors from fire insurance companies make periodic inspections of insured premises? Why do life insurance companies employ nurses, send out health literature, advise the public what to do when an epidemic such as the flu is raging, and otherwise promote good health by educational and practical methods? Simply because they find that it helps to reduce the hazard or risk which they are carrying and in that way helps to make profit for themselves and also keeps down rates to the public. But we have never heard of an automobile insurance company doing any more than sitting back and saying, 'Well, there are too many accidents, so we will have to boost the rates.' If the insurance companies can show that they are co-operating with other agencies to reduce the number of accidents, or working along independent lines as they may see fit, then the public might possibly feel that they are getting a square deal, but unless and until they do that the public is quite justified in feeling that the automobile insurance companies are a good many years behind the fire and life insurance companies in their method of doing business. The matter as it stands now calls for investigation by some authority other than the companies themselves, and if the insurance departments of the province and Dominion are worth maintaining they ought to step in at this time and see that the interests of the public are protected."

MUTUAL LIFE ISSUES NEW AVIATION RATES

Five Thousand Limitation for Hazardous Type of Risk

In a circular addressed to the agency force, the Mutual Life has issued a new schedule of aviation insurance. The new schedule is modelled on that proposed by the Aviation Rating Committee of the Actuaries Club of Toronto.

A feature of the schedule is the limitation of assurance to be carried by the company at its own risk. It will be considerably less than the regular limits for standard lives and in the more hazardous types the company will not carry more than $5,000 at its own risk.

The occasional passenger, who takes a pleasure ride of less than an hour's duration, pays standard premium, while those who take up to ten flights per year also pay the standard rate. The extra premium rates payable by passengers making from ten to forty flights per year between well equipped established commercial routes using licensed planes and employing licensed pilots, pay $5 and $10 and $15 extra premium for more than forty flights per year. Other fare-paying passengers are restricted to 15 flights per year on a similar scale of extra premiums.

Passenger members of aero clubs, who are not likely to become pilots, yet who fly in club machines with club pilots, pay the same rates as those using established airways. The extra premiums must be payable annually in advance, regardless of the arrangements under which the regular premiums are paid. The extra premiums will apply to ordinary life, 20-pay life and 20-year or longer endowment life. For shorter pay life, a higher extra will be necessary, while shorter endowments will be taxed slightly less as extra premium.

LONDON LIFE REPORT SHOWS BIG INCREASE

Twenty Million Jump in New Insurance Written During 1928

With a record of more than a hundred million dollars of new insurance written during the year, the London Life Insurance Company has just issued its fifty-fourth annual report. The amount of new business written is more than $20,000,000 in excess of the figure for 1927. The increase, which is approximately 23 per cent., is greater than the average increase secured by all other companies in Canada combined.

The total insurance in force is given as $352,042,076, an increase of $56,136,323 over the total for the previous year. An interesting point in this connection is the fact that the 1928 increase is equal to the company's total business ten years ago. Each four years since 1916, the London Life's business has doubled. In the past six years, the average policy-size has increased nearly 100 per cent. This year it is $3,246.

Average rate of earnings over the year was 6.504 per cent. The total assets amount to $50,817,791. In addition, the 1928 interest yield was higher than that secured on the new investments in 1927.

Without including the capital stock and after providing for all government requirements, and rating securities at their book-value instead of the higher market-value, the surplus funds amount to $7,250,000.

A comparison of some of the important figures for the past two years is as follows:

	1928	1927
Income:		
Premium income ...	$10,672,219	$9,162,101
Int. income, etc. ...	2,653,207	2,373,542
Business:		
New ins. issued	104,889,728	85,581,196
Total ins. in force ..	352,042,076	295,909,855
Assets:		
Total assets	50,817,791	44,068,930
*Policyholders' surp.	2,188,102	1,852,840
Rate of int. earned ..	6.504%	6.56%

* Including paid-up capital of $100,000.

Joins Two Boards

JAMES STEWART, Winnipeg grain and milling magnate, elected to boards of British America and Western Assurance Companies.

Bee-keeping Prosperous

Saskatchewan bee-keepers now own 7,086 colonies of bees, an increase of 18.5 per cent. over the high mark of 1927. Statistics compiled by R. M. Pugh, provincial apiarist show that Saskatchewan bee-keepers during 1928 produced 31,794 pounds of comb honey which, at the average price of 28.95 cents a pound, yielded $9,205.36. Of extracted honey 390,508 pounds were produced, which, at the average price of 17.53 cents a pound, yielded $68,456.05. The total yield was 422,302 pounds, realizing $77,600.00.

MANUFACTURERS' IN GOOD PROGRESS

Company Breaks Records During 1928—Increase Dividends

Continued growth of the Manufacturers' Life Insurance Co. is reflected by the forty-second annual report recently submitted to policyholders and shareholders of the company, showing new business written during 1928 at $87,322,612. This figure represents an increase in new business of $9,746,604 over new business secured in 1927 and is a new record for the company.

Insurance now in force amounts to $453,323,912, an increase of 12½ per cent. over that in force at the end of 1927. The assets of the company increased by over $11,000,000 to an amount of $87,495,370. The net rate of interest earned on investments was 6.4 per cent.

While the mortality rate of the company was favorable the payments to policyholders amounted to $8,387,508, a new record. Beneficiaries under death claims received $2,925,758, while payments to living policyholders were $3,507,617 and dividends to policyholders were $1,954,133. The company set aside $2,521,781 for dividends to policyholders in 1929.

Surplus earnings in 1928 were satisfactory and have made possible an increase in the scale of dividends payable to policyholders for the fifth consecutive year.

	1927	1928
New insur. issued	$77,576,008	$ 87,322,612
Insurance in force	402,554,431	453,323,912
Assets	76,483,181	87,495,370
Policy reserves	64,398,204	73,510,370
Total income	20,775,961	24,367,813

Danes Are Satisfactory

The colonies of Danes that have been placed in the Maritime Provinces have proven so satisfactory that requests are being made for more. The Weymouth Development Association recently adopted a resolution asking Hon. J. F. Mahoney, Minister of Natural Resources for Nova Scotia, to place Danish settlers in that district.

Insurance Inklings

Arrangements have been practically completed for the admission of the Mutual Life Assurance Company of Canada into New York State. The company was chartered December 19, 1868, and was originally called the Ontario Mutual Life.

H. O. WRIGHT has been appointed superintendent for Saskatchewan and Alberta for the Ontario Equitable Life.

The four leaders among the agents of the Ontario Equitable Life who sold over $200,000 of new insurance during 1928 were S. P. QUILTY, of Ottawa; R. S. ADAM, of Stratford; S. A. G. BARNES, Edmonton, and J. E. MERRYFIELD, of Vancouver.

J. TOWER BOYD, dean of life insurance agency managers in Canada, was recently granted a year's leave of absence by the directors of the Confederation Life Association.

GEORGE F. CRUM and GEOFFREY T. SOMERS have formed a new special general agency of the Crown Life Insurance Co. in Toronto under the name of Crum and Somers.

JAMES STEWART and WILLIAM H. McWILLIAMS, both of Winnipeg, have been elected to the directorates of the British America and Western Assurance Companies.

A. L. DENISON, manager of the Canadian Fire Insurance Co. since 1923, has been elected a director of the company.

LOUIS ROTENBERG, JR., of Toronto, wrote his first insurance policy a little more than two years ago, for the Great West Life. Since that date, he has written more than $1,500,000 of insurance. This is considered a record for Canada for a comparatively new man at selling insurance.

WILLIAM T. COOTE, Edmonton, has become associated with Seneca Jones and Son, Hamilton, Ont., as their Alberta representative. Mr. Coote was recently associated with the Northwestern Mutual Fire Association.

According to an announcement issued by the Equitable Life, three departmental educational conferences are to be held in Toronto this year. The conferences will take place during September, beginning with that of the eastern department on Sept. 8, lasting three days. The New York Metropolitan department conferences will follow on September 12, while the third will be that of the central department, scheduled to run from September 15 to 17. The conferences will be held in the Royal York Hotel, according to present plans.

The Equitable Life will hold the celebration of the company's seventieth anniversary in the Hotel Pennsylvania, New York, beginning September 29.

Canadian Government
ANNUITIES

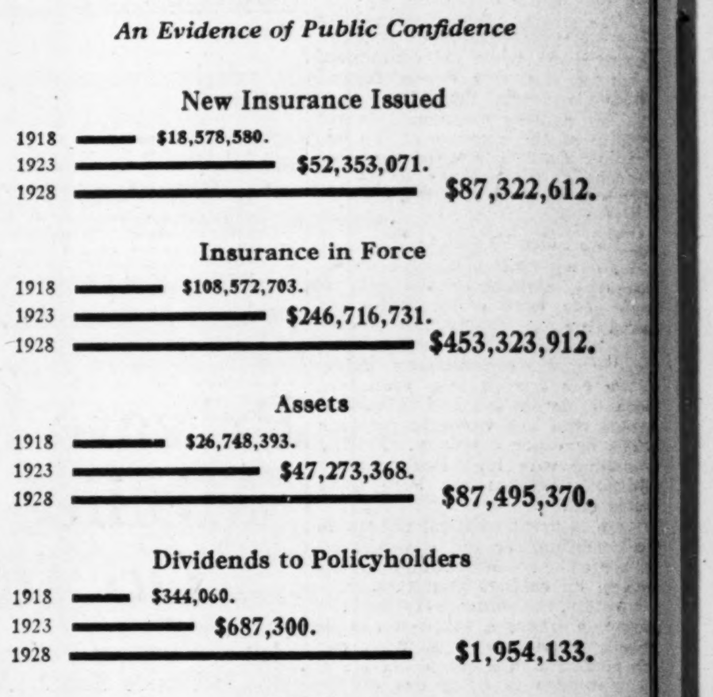
Attention of investors is called to the yield guaranteed by contracts for life annuities issued by the Canadian government. Contracts may be purchased whereby the annuity is payable for life and for 10, 15 or 20 years in any event.

The number of contracts being sold each year is steadily increasing. The Government Annuity System is provided at cost, all administration expenses being met by the Government. The income from an annuity is free from Federal Income Tax and cannot be seized or levied upon by any law or court. All persons between the ages of 5 and 85 may take advantage of the System. No medical examination is required.

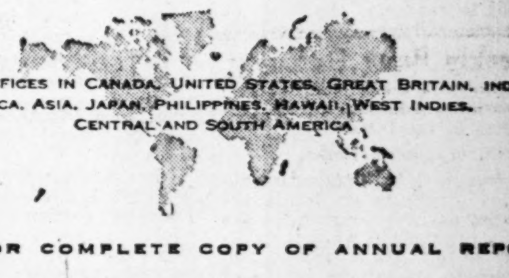
Illustration of yield at various ages for male lives.
55 .. 8.4%
60 .. 9.6%
65 .. 11.2%
70 .. 13.5%
75 .. 16.7%

Descriptive booklet may be obtained free of charge by calling at the nearest post office or by writing to the Superintendent of Annuities, Department of Labour, Ottawa, Ontario.

Superintendent of Annuities
DEPARTMENT OF LABOUR
Ottawa - Ontario



An Evidence of Public Confidence



THE
MANUFACTURERS LIFE
INSURANCE COMPANY
Head Office; • TORONTO, CANADA

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WRITE FOR COMPLETE COPY OF ANNUAL REPORT

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INSURANCE COMPANY
Fire Insurance at Tariff Rates
Pres.—JAMES STEWART
Vice-Pres.—FRANK O. FOWLER
Ex-Mayor of Winnipeg
Sec.-Treas.—J. H. FACHE
Head Office:
WINNIPEG - MANITOBA

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FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
ESTABLISHED A.D. 1917

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
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HEAD OFFICE FOR CANADA—HAMILTON, ONTARIO
Branch Offices:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Calgary, Winnipeg, Montreal, Saint John, Halifax and Charlottetown.
Writing Fire Insurance at Cost
ALL POLICIES DIVIDEND-PAYING AND NON-ASSESSABLE

Protection with Profit
Great-West Life
40

S. H. HENDERSON, President — C. M. VANSTONE, Managing Director — E. L. McDONALD, Treasurer
Registered with Department of Insurance, Ottawa
Operating in Manitoba, Saskatchewan, Alberta, and British Columbia
THE WAWANESA MUTUAL INSURANCE CO.
Canada's Largest Fire Mutual
FIRE LIGHTNING WINDSTORM
Insurance in force over $150,000,000.00 Assets over $ 2,500,000.00
We are now accepting business in Cities and Towns.
Write us for your requirements.
THE WAWANESA MUTUAL INSURANCE CO.,
Wawanesa, Man.

The
CANADA NATIONAL FIRE
INSURANCE COMPANY
Head Office - Winnipeg, Man.
E. F. HUTCHINGS, *President*
HENRY SANDISON, *1st Vice-President and Managing Director.*
T. S. McPHERSON, *2nd Vice-President.*
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1818 Scarth St., Regina, Sask.
Provincial Managers for Saskatchewan
British Colonial Fire Insurance Company
Equitable Fire and Marine Insurance Company
Alliance Assurance Company, Ltd. (Casualty Insurance)

A Testimonial to Group Insurance

THE COMMERCIAL LIFE ASSURANCE CO. OF CANADA
HEAD OFFICE, EDMONTON
Sound as the Dominion

"Dear Mr. Glenwright,
Your Inspector has just given me The Commercial Life cheque for $1,000 in payment of the City of Edmonton group insurance of my late husband, F. W. Young. I am grateful that the City Officials had the foresight to have group insurance as it was the only insurance my husband had. The money will help me to keep our little home.
Yours very truly,
(Signed)
MRS. ANNIE YOUNG."

MILL OWNERS
MUTUAL FIRE INSURANCE COMPANY
Assets — $2,704,909 OF IOWA Surplus — $1,282,787
GENERAL CLASSIFICATION OF BUSINESS TRANSACTED
POLICYHOLDERS' DIVIDEND RATE 25% TO 30%
Seneca Jones & Son, Hamilton, Ont.—Canadian General Agents

PRUDENTIAL
ASSURANCE COMPANY LIMITED, of LONDON, ENGLAND
Assets Exceed $1,000,000,000 — Licensed for Fire and Casualty Insurance — Investments in Canada Exceed $35,000,000
Head Office for Canada: 460 St. John St., Montreal
BERNARD HUMPHREY, Manager for Canada
North West Branch: Huron & Erie Building, Winnipeg
Toronto Agency: Parkes, McVittie & Shaw, Confederation Life Bldg.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$94,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

THE FINANCIAL POST
SURVEY OF MINES
1928

★★★★★★★★★★★★★★★★★★★★★★★★

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How SUN LIFE *Policy Holders share* SUN LIFE PROSPERITY

IN 1926, Agent Roberts of the Sun Life Assurance Company of Canada assured his friend Bates for $10,000.

He told Bates that in 1924, a man of his age had taken out a similar policy; that this man had already received two dividends; and that the second, received in 1926, amounted to $73.80. Bates felt that an equal dividend accruing to him in 1928 would be highly satisfactory.

Roberts delivered a cheque for Bates' second annual dividend the other day. *Instead of $73.80, it was $91.00.* The expectations of two years ago had been exceeded by 23 per cent.

Sun Life prosperity is being shared with its policyholders in the form of dividends much in excess of those anticipated when the assurance was taken.

To-day, on the threshold of a New Year is an opportune time in which to get details of these exceptional advantages, from the Company's representative in your district.

·SUN·LIFE·ASSURANCE·COMPANY·
·OF·CANADA
HEAD OFFICE — MONTREAL

Current Events in Banking World

REVISION OF PLANS FOR NEW BUILDING APPROVED BY BANK

Five Stories Taken From Bank of Commerce New Office Building

As a result of nearly a year's study, the plans for the new head office building of the Canadian Bank of Commerce in Toronto, have undergone considerable revision. The original drawings called for a structure of 35 stories to cost slightly in excess of $7,000,000. The revised specifications are for a building of 30 stories with a height of 417 feet from the ground to the eaves.

In reducing the height of the building, it was necessary to take one story out of the base, three out of the main section of the tower, and the fifth story was taken from the upper section of the tower. The purposes of the height-reduction were two-fold. First, the additional 5 stories meant a great deal more weight for the base of the edifice to support. Had the building been carried to its first-planned height, a forest of piles would have been necessary to bear the weight. Secondly, the addition of the 5 stories required an additional passenger-elevator, additional heating plant and other mechanical equipment. All this took up valuable room on the sixth floor. The building was in danger of becoming a mere shell, filled with machinery and having a negligible amount of office-space.

Another feature of the revision of plans was the necessity of keeping the cost well within the figure first estimated. This has been facilitated through the changes but the estimates would have been greatly exceeded if the first specifications had been followed. Finally, it has been found that the reduction in the height of the tower has given the building a much more symmetrical appearance.

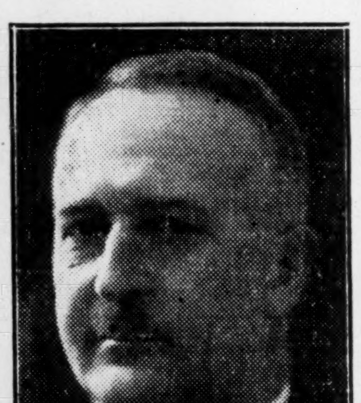
Three Stories Below Ground

There will be little change in the banking room, which in the first plans, was designed to take the most of the main floor space. There will be three stories in the basement, the floor of the lowest being 65 feet below ground. The vaults, which will rest on bed-rock, will be in this lowest level and will be separate from the walls of the building proper. They will constitute a building within a building. The Bank of Commerce will occupy the whole of the base and the seventh story, leaving 23 stories in the tower for rental.

Buy Temporary Offices

The Ogilvie Building, a six-story brick structure at the corner of Bay and Wellington streets, Toronto, was purchased outright by the Bank of Commerce for the reported sum of $325,000 to house the head office staff during the building of the skyscraper. The temporary quarters, containing more floor-space than the former head office, will do away with the overcrowding usually found in such cases. The building has been fitted with the most modern of equipment, with a view to its retention by the Bank after the new offices are completed.

Goes to the West



E. E. HENDERSON, superintendent of Maritime and Newfoundland branches of the Bank of Commerce, who has been appointed superintendent of Manitoba branches with headquarters in Winnipeg.

Transfer of the offices in the old building occupying the site of the new head office was completed during the week of January 21. Quite the largest sum ever transferred from one place to another in Toronto was moved when the Bank of Commerce took up its quarters in the Ogilvie Building. Late at night on January 19 and 20, many millions of dollars in cash, bullion and negotiable securities were "taken for a ride" of three blocks to the vaults prepared in the temporary offices for the reception of the money. The full staff of bank guards, assisted by over 20 city police were stationed along the route to protect the cash.

As an additional precaution against organized banditry, word was allowed by officials to seep out that the move was to be made between the 23rd and 24th. Only a very few people outside of the Bank officials actually engaged in the transfer knew the exact time that the money was to be moved or anything about it until the shift had become an accomplished fact. The funds were carried in armored motor cars and all other traffic was diverted by police from any route which might bring it into contact with that taken by the money cars.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities

	Jan. 19, 1928	Jan. 18, 1929
Halifax	$ 2,844,611	$ 3,784,105
St. John	2,672,753	2,644,138
Moncton	871,203	858,866
Sherbrooke	845,800	896,591
Quebec	8,806,828	7,019,166
Montreal	149,511,934	161,912,199
Ottawa	7,837,803	9,275,945
Kingston	792,750	865,819
Peterboro	919,353	982,726
Toronto	156,548,134	156,078,315
Hamilton	5,668,241	5,836,456
Brantford	1,155,119	1,152,811
Chatham	884,222	....
London	3,364,211	3,261,939
Kitchener	1,303,666	1,531,955
Sarnia	857,810	632,023
Windsor	4,391,929	5,705,838

Western Cities

	Jan. 19, 1928	Jan. 18, 1929
Fort William	$ 867,329	$ 934,397
Winnipeg	51,660,556	49,631,905
Brandon	608,649	1,152,811
Regina	4,661,055	5,072,183
Moose Jaw	1,351,100	1,254,588
Saskatoon	2,304,785	2,074,370
Prince Albert	396,365	428,139
Lethbridge	621,832	694,698
Edmonton	7,722,490	8,034,149
Calgary	10,529,044	17,174,113
Victoria	2,312,834	2,083,752
New Westminster	709,216	874,774
Vancouver	21,190,755	22,939,639
Medicine Hat	396,355	507,069

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Maturity 5 to 10 years.
Denominations: $1000, $500 & $100
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Border Cities Company
LIMITED
605 C.P.R. Building, Toronto

5%
On Guaranteed Trust Certificates

Safe beyond question and unconditionally guaranteed.

Send for descriptive circular without obligation.

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STERLING TRUSTS CORPORATION
Sterling Tower, TORONTO
Branch:—REGINA

NEW HIGH POINT IN PROFITS, ASSETS OF NOVA SCOTIA

Ninety-Seven Year Old Bank Again Reveals Gains

In its first full year under the presidency of S. J. Moore, Bank of Nova Scotia continued to make very substantial gains and kept pace with the other banks in the "Big Four" group in its increase in both earnings and assets.

Profits for the year to December 31, 1928, increased from the previous year's figure of $2,365,000 to $2,535,000. This was sufficient to meet all the usual appropriations, including an increased write-off on premises account, to pay the usual 16 per cent. dividend and add $435,500 to surplus account. Earnings were in fact more than 20 per cent. on capital. This is the highest rate of earnings shown by any of the banks but on the other hand Bank of Nova Scotia reserve fund stands at twice the amount of capital paid in. Earnings on combined capital and reserve stand at about the same percentage as with other banks.

Comparative earnings figures for the banks follow:

INCOME & SURPLUS ACCOUNT
Years ending Dec. 31

	1928	1927	1926
Profits	$2,535,518	$2,365,319	$2,243,242
Pension	100,000	95,000	85,000
Tax on circ.	100,000	100,000	100,000
Premises	300,000	250,000	250,000
	500,000	445,000	435,000
	2,035,518	1,920,319	1,808,242
Dividends	1,600,000	1,600,000	1,600,000
Reserve	......	500,000	......
Surp. for yr.	435,518	*179,681	208,242
Prev. balance	479,207	658,887	450,644
	$914,725	$479,206	$658,886

* Debit.

Assets touched a new high figure of $279,500,000. The previous year's figure was $261,700,000. The bank has never been noted for striking advances from year to year, this fairly steady rate of growth having been maintained for many years as befits a bank with a history just three years short of a full century.

The bank is in strong position, examination of the balance sheet reveals. Savings deposits are up $4,500,000 to $168,800,000; and demand deposits are up a similar amount to $43,700,000. The bank has increased its current loans in Canada by $7,500,000; has decreased current loans outside Canada by a small amount and while it has effected a slight reduction in call loans outside Canada it has increased this item in Canada by $7,000,000.

Comparative balance sheet figures follow:

BALANCE SHEET
Immediately Available Liquid Assets

	1928	1927
Specie	$ 9,227,684	$ 8,969,928
Dom. notes	17,821,895	19,626,472
Note circ. dep.	479,451	492,540
Call loans abr.	11,997,376	12,062,648
Cheques	15,182,860	10,710,589
Gov. securities	28,745,749	26,952,426
Gold reserves	6,500,000	6,500,000
Notes, bank	1,479,650	1,275,086
Foreign curr.	1,779,197	1,921,805
Bk. bal. abr.	4,579,718	3,369,831
	97,793,580	91,881,325
% total assets	34.98	35.10
% total liab to pub.	39.41	39.80
Other Assets		
Pub. sec.	$11,602,383	$11,568,237
Other sec.	9,543,228	12,925,631
Call loans Can.	34,462,410	27,457,071
Current in Can.	89,685,059	82,145,511
Elsewhere	21,160,455	22,126,487
Non-current	175,078	224,009
Premises	6,844,873	6,836,478
Let. of cred.	7,959,344	6,388,227
Real estate	....	12,474
Other assets	276,655	172,529
	181,709,485	169,855,654
Total assets	$279,503,065	$261,736,980
Liabilities to Public		
Circulation	$ 16,098,055	$ 15,190,167
Dem. deposit	43,679,749	39,182,889
Savings	168,807,380	164,315,681
Due banks	3,246,884	2,366,879
Due else.	1,929,317	1,631,800
Let. of cred.	7,959,344	6,388,227
Bills pay.	1,150,971	1,495,264
Other liabs.	315,256	286,038
Advances	5,000,000	....
	248,186,956	230,856,945
Liabilities to Shareholders		
Capital	$ 10,000,000	$ 10,000,000
Reserve	20,000,000	20,000,000
Dividends	401,384	400,828
Balance	914,725	479,207
	31,316,109	30,880,035
Total liabs.	$279,503,065	$261,736,980

New Royal Bank Building Will Reflect Modern Trend

From Our Own Correspondent

MONTREAL.—Evidence of the faith of the Royal Bank in the future of Vancouver is instanced in the plans for the erection of a sixteen story building in that city on the corner of Hastings and Granville streets. The cost of the new building will be approximately $1,500,000; construction will not begin before the summer months. Tentative architect's drawings for the new building are attractive. The structure will conform to the "set back" type of architecture so popular in the United States to-day. A maximum amount of light for offices is obtained by this design, and the general effect is decidedly pleasing to the eye. It is thought that the building will be the first to be constructed in Canada along these modern lines of architecture.

More Grain Elevators

According to federal figures there are now approximately 4,700 country grain elevators in Western Canada, with a total capacity of about 150,000,000 bushels, as against 4,437 in 1927 with a capacity of 147,000,000 bushels. The storage capacity of the terminal elevators at Port Arthur and Fort William, at the head of the Great Lakes, was increased during 1928 from 73,000,000 bushels to 86,000,000 bushels.

Bank Chat

G. E. SCROGGIE, manager of the Canadian Bank of Commerce branch at Carleton Place, Ont., has been transferred to head office at Toronto and is succeeded by J. F. GILLESPIE, of Madoc, Ont.

Officers of the Kitchener, Ont., Clearing House Association for 1929, have been elected as follows: president, A. J. CUNDICK, manager of the Bank of Nova Scotia; vice-pres., R. D. BOUGHNER, manager of the Dominion Bank; secretary, T. R. RICHARDSON, manager of the Imperial Bank of Canada. G. E. HYNES was appointed clearing house manager for the ensuing year.

D. G. NESBITT, accountant of the Bank of Montreal at Teeswater, Ont., has been transferred to St. Catharines, Ont.

H. K. STEVENS has taken up his new duties as manager of the Bank of Nova Scotia at Galt, Ont. Mr. Stevens was formerly of Vancouver and has more recently been inspector at Winnipeg and Jamaica.

CHARLES R. DEY, assistant inspector of the Canadian Bank of Commerce at Hamilton, Ont., has taken up his new duties as inspector of the Montreal district.

A. T. BARNES, accountant for the Bank of Montreal in St. Catharines for the past two years, has been transferred to Peterborough, Ont., where he will hold a similar position.

T. M. HARMON, accountant for the Canadian Bank of Commerce at Kamloops, B.C., for the past seven years, has been transferred to Princeton as manager of that branch. T. H. DE MONTMORENCY, accountant of the branch at Olds, Alberta, will succeed Mr. Harmon at Kamloops.

M. S. KYDD, manager of the Royal Bank at Kamloops, B.C., was recently responsible for the capture of two men wanted in Vancouver on a number of charges.

E. B. McINERNEY, in charge of Paris branch of the Royal Bank since 1922, has been appointed manager of the London office, succeeding T. R. WHITLEY, who has retired on pension, after twenty-five years' service. N. G. HART, manager at Barcelona, has gone to Paris. H. L. GAGNON, formerly assistant manager at Barcelona, has been made manager.

Provincial Bank of Canada has opened two new branches in Greater Montreal, one at 7566 St. Hubert St., corner Villeray, under the managership of J. A. PAQUET; the other is at 4650 Verdun Avenue and Second Avenue, Verdun, with C. H. R. MACKAY, manager. This bank now operates 27 branches in Greater Montreal.

The Imperial Bank announces the following staff changes:

A. D. LEWIS, formerly accountant, Yonge and Ann Streets, Toronto, has been appointed manager of the new branch opened at Woodbine and Sammon Avenues, Toronto.

B. B. VALE, formerly acting manager, Danforth and Carlaw, Toronto, branch, has been appointed manager of the new branch to be opened at the corner of Pape and Sammon Avenues, Toronto.

D. C. HOWELL, formerly manager, Fort Qu'Appelle, Sask., has been appointed manager, Hague, Saskatchewan.

H. WILLSON, formerly manager, Red Deer, Alta., has been appointed manager, Fort Qu'Appelle, Sask.

J. BALLANTYNE, formerly manager, Sangudo, Alta., has been appointed manager, Red Deer, Alta.

J. W. McDIARMID, formerly accountant, Wetaskiwin, Alta., has been appointed manager, Sangudo, Alta.

P. T. CLARK, formerly manager, Harrow, Ont., died on January 9 after one year's illness. Mr. Clark was formerly with the old Sovereign Bank from 1905 until 1908 when he joined the staff of the Imperial Bank and since May, 1915, has been stationed at Harrow as manager.

E. M. WILSON, formerly attached to the head office relief staff, has now been appointed accountant, Yonge & Ann, Toronto, branch.

R. CARSON, formerly accountant, Winnipeg, Man., is at present attached to the inspection staff, head office, Toronto.

R. B. WANSBOROUGH, formerly accountant, Cochrane, Ontario, is at present attached to the inspection staff, head office, Toronto.

N. M. PLANT, formerly of Cobalt, Ont., branch, has been appointed accountant, Cochrane, Ontario.

A. C. KING, formerly teller-accountant, Thorold, Ontario, has been appointed assistant accountant, Welland, Ontario, vice G. C. RUNDLE now attached to the relief staff.

Satisfied Customers

SATISFIED customers have been largely responsible for the growth and progress of this Bank for sixty years.

Today, more than ever, we try to bring a human sympathy and an intimate understanding into our daily business contacts.

You will like banking at The Royal

G822

The Royal Bank of Canada

Serving Canada Since 1869

CANADA PERMANENT MORTGAGE CORPORATION
Established 1855
W. G. GOODERHAM, President.
E. R. C. CLARKSON, First Vice-President.
GEORGE H. SMITH, Second Vice-President and General Manager.

Capital Paid-up	$ 7,000,000
Reserve Fund	8,000,000
Investments exceed	67,000,000

Canada's oldest and largest mortgage corporation cordially invites you to avail yourself of the facilities offered by its nation-wide organization when transacting any business of a financial nature.

HEAD OFFICE: 14-18 TORONTO STREET TORONTO 2
Branches in Winnipeg, Man.; Regina, Sask.; Edmonton, Alta.; Vancouver and Victoria, B.C.; Halifax, N.S.; Saint John, N.B.; Woodstock and Brantford, Ont.

CANADIAN GUARANTY TRUST CO.
Acts as Executor, Administrator, Trustee, Guardian, Agent and in any other Fiduciary capacity.
Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.
Head Office: BRANDON, MAN.
Branch Office: Swift Current, Sask.
JOHN R. LITTLE, Managing Director

NINETY-SEVENTH ANNUAL REPORT OF The Bank of Nova Scotia

CAPITAL PAID-UP - $10,000,000
RESERVE FUND - - $20,000,000

PROFIT AND LOSS

Balance December 31st, 1927	$ 479,207 12
Net Profits for year, losses by Bad Debts estimated and provided for	2,535,518 54
	$3,014,725 66
Dividends for year at 16% per annum	$1,600,000 00
Dominion Government Tax on circulation to December 31st, 1928	100,000 00
Contribution to Officers' Pension Fund	100,000 00
Written off Bank Premises Account	300,000 00
Balance carried forward December 31st, 1928	914,725 66
	$3,014,725 66

GENERAL STATEMENT AS AT DECEMBER 31st, 1928

LIABILITIES

Capital Stock paid in		$ 10,000,000 00	
Reserve Fund		20,000,000 00	
Balance of Profits, as per Profit and Loss Account		914,725 66	
Dividends declared and unpaid		401,384 00	
			$31,316,109 66
Notes of the Bank in circulation		16,098,054 59	
Deposits not bearing interest	$ 43,679,749 03		
Deposits bearing interest, including interest accrued to date	168,807,380 31	212,487,129 34	
Advances under the Finance Act		5,000,000 00	
		233,585,183 93	
Balances due to other Banks in Canada		3,246,884 42	
Balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries		1,929,317 03	
Bills Payable		1,150,971 02	
			239,912,356 40
Letters of Credit outstanding			7,959,343 65
Other Liabilities not included in the foregoing			315,256 27
			$279,503,065 98

ASSETS

Current Coin	$ 9,227,684 47
Dominion Notes	17,821,895 00
United States and other foreign currencies	1,779,196 50
Notes of other Banks	1,479,650 03
Cheques on other Banks	15,182,860 01
Balances due by Banks and Banking Correspondents elsewhere than in Canada	4,579,718 41
	50,071,004 42
Deposit in the Central Gold Reserves	6,500,000 00
Dominion and Provincial Government securities, not exceeding market value	28,745,748 53
Canadian municipal securities and British, Foreign and Colonial public securities other than Canadian, not exceeding market value	11,602,382 95
Railway and other bonds, debentures and stocks, not exceeding market value	9,543,228 10
Call and short (not exceeding thirty days) loans in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	34,462,410 31
Call and short (not exceeding thirty days) loans elsewhere than in Canada on stocks, debentures and bonds and other securities of a sufficient marketable value to cover	11,997,375 95
	152,922,150 26
Other current loans and discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	89,685,059 08
Other current loans and discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts	21,160,454 51
Liabilities of Customers under Letters of Credit, as per contra	7,959,343 65
Non-current loans, estimated loss provided for	175,078 22
Bank Premises at not more than cost, less amounts written off	6,844,873 23
Deposit with the Minister of Finance for the purposes of the circulation fund	479,451 46
Other assets not included in the foregoing	276,655 57
	$279,503,065 98

S. J. MOORE, President
J. A. McLEOD, General Manager

Auditors' Report to the Shareholders:

We have examined the above General Statement of Liabilities and Assets as at December 31st, 1928, and compared it with the books at the Chief Office and with the certified returns from the Branches. The Bank's investments and cash on hand at the Chief Office and at the Toronto and Montreal Branches were verified by us at the close of business on December 31st, 1928. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

We certify that in our opinion the above statement discloses the true condition of the Bank and is as shown by the books of the Bank.

D. McK. McCLELLAND, F.C.A., of Price, Waterhouse & Co.
A. B. SHEPHERD, C.A., of Peat, Marwick, Mitchell & Co.
} Auditors.

Toronto, Canada, 16th January, 1929.

New Issue

31,500 Shares—Class "A"

(No Par Value)

Electric Elevator and Grain Company Limited

Entitled to preferential dividends of $1.50 per share per annum cumulative from February 1st, 1930, and payable quarterly on the first days of February, May, August and November at par at any branch of the Company's bankers in Canada (Yukon territory excepted). After payment of the said preferential dividend, and of $1.00 per share in any year on the Class "B" Common stock, the Class "A" stock and the Class "B" Common stock participate equally in any further dividends payable in such year, but the Class "A" stock shall not be entitled to receive in respect of any one year more than a total of $2.00 per share. Redeemable on any dividend date upon sixty (60) days' notice at Thirty Dollars ($30.00) per share and accrued preferential dividends. Preferred as to assets in the event of liquidation to the extent of $30.00 per share. Non-voting until or unless eight (8) quarterly cumulative dividends are in arrears.

Transfer Agent: Montreal Trust Company. *Registrar: The Royal Trust Company*

CAPITALIZATION

	Authorized	Issued
First Mortgage 6% Fifteen-year Sinking Fund Bonds	$650,000.00	$450,000.00
Class "A" Stock, No Par Value	50,000 shares	31,500 shares
Class "B" Common Stock, No Par Value	50,000 shares	31,500 shares

The following information is summarized from his letter to us by Mr. Frederick H. Bole, President of the Company.

THE COMPANY

Electric Elevator and Grain Company, Limited, has been incorporated under the laws of the Province of Ontario to acquire from the Bole Grain Company, Limited, the Electric Elevator at Fort William, Ontario, as a going concern. This property has been continuously and profitably operated as a terminal elevator engaged in handling, storing and conditioning grain for twelve years. **The plant has been designed primarily for the rapid handling and conditioning of grain. It is capable of unloading cars at the rate of one hundred per day, and of loading boats at the rate of one carload a minute.** There are two drying plants and cleaning equipment to take care of 15,000 bushels an hour. The Company owns one Trading Seat and one Clearing Seat on the Winnipeg Grain Exchange, and is therefore completely equipped to carry on a general grain merchandising business.

ASSETS

The land, buildings, machinery and general equipment were appraised by the Sterling Appraisal Company, Limited, as at November 1st, 1928, and according to its certificate dated November 6th, 1928, have a value after allowance for depreciation, of $796,689.04. Net current assets, after giving effect to the present financing, as at August 1st, 1928, according to a Balance Sheet certified to by Messrs. W. M. Hurley & Company, Chartered Accountants, amounted to $100,000. In addition, the Company's seats on the Winnipeg Grain Exchange have a value of $30,000. Total assets, after deducting all current liabilities are therefore $926,689.04, or $476,689.04 after deducting First Mortgage Bonds to be presently outstanding.

EARNINGS

Messrs. W. M. Hurley and Company, Chartered Accountants, have certified to earnings for years ending July 31st as follows:

1925	1926	1927	1928
$109,281.22	$137,615.15	$140,592.22	$155,129.53

These earnings have been adjusted to give effect to savings by reason of additional facilities acquired by the new Company amounting to $12,000 per year, and allowance has been made for non-recurring expenditures and payments, but provision has been made for full and proper operating charges, depreciation of plant and equipment, maintenance and repairs, interest on loans applicable to the business and bond interest of $27,000 per year, but before allowance for Federal Income Tax.

Average earnings for the four years ending July 31st, 1928, were therefore $135,654.53, equivalent to $4.31 per share of Class "A" stock, or nearly three times preferential dividend requirements. Earnings for the last fiscal year amounted to more than $4.90 per share of Class "A" stock and after allowing for the maximum dividend of $2.00 per share on this stock, an amount equivalent to more than $2.90 per share on the Class "B" Common stock was available, before allowance for Federal Income Tax.

MANAGEMENT

The management and control of the new Company will be in the hands of Frederick H. Bole and his associates, David L. Bole and Gabe H. Smith, all of whom together have been responsible for the conduct of the Electric Elevator business from its inception.

GENERAL

The business in which this Company is engaged is an essential part of one of the great fundamental activities of the Dominion of Canada. The history of the business as a whole, as well as this particular enterprise, has been without exception one of consistent profit and increasing growth. From the standpoint of experienced management, strategic location, adequate and highly efficient equipment and facilities for expansion, the Company is exceptionally well situated to participate profitably in the growth of grain handling and marketing in Western Canada. It is the intention of the Directors to declare the first quarterly dividend on the Class "A" shares payable on August 1st, 1929, to shareholders of record July 15th, 1929.

We offer these shares for delivery if, as and when issued and received by us and subject to the approval of all legal proceedings by Messrs. Richards, Sweatman, Fillmore & Riley, Winnipeg, for the Company, and Messrs. Malone, Malone, Sedgewick & Montgomery, Toronto, for the bankers.

Price: $25.00 per Share

Carrying a bonus of one Class "B" Common Share with each four Class "A" Shares purchased
Fractional Class "B" Common Shares will be adjusted at $20.00 per share

It is proposed to make application in due course to list these shares upon the Unlisted Department of the Toronto Stock Exchange.

Harley, Milner & Co.
Members Toronto Stock Exchange
TORONTO
HAMILTON LONDON WINDSOR ST. CATHARINES

A substantial portion of this issue having been sold, we offer the remainder subject to allotment.

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable.

C.P.R. TO SHOW HIGHEST EARNINGS OF ANY PERIOD

Earnings Should Exceed $14 a Share — 1929 Earnings Higher

From Our Own Correspondent

MONTREAL.—Earnings of the Canadian Pacific Railway for 1928, gross and net, were the largest of any year in the company's history. Earnings on the common stock will probably be slightly in excess of $14 a share. E. W. Beatty, president of the company, recently stated that net operating revenues for December, 1928, would exceed those of the previous year by about $750,000. Based on Mr. Beatty's estimate, net earnings for December, 1928, should be about $2,323,000. This would make the net for 1928, $50,860,678 or the equivalent of over $14 a share on 3,000,000 shares outstanding, after all charges and preferred dividends.

Business for January showed a slight betterment over the same period a year ago. There was an increase of $165,000 in gross earnings during the first week of January. It is estimated that at the beginning of the year there remained 86,000,000 bushels of grain still to be moved over Canadian Pacific rails. This is 8,000,000 bushels less than at the same time a year ago. It is stated that there is every expectation that the growth and net earnings for the first quarter and the first half of 1929, will be approximately equal to the same period a year ago. A comparison of gross and net earnings follows:

	Dec., 1928	Dec., 1927
Gross earnings	*$20,627,000	$18,767,251
Net earnings	*2,323,000	1,673,166
	1928	1927
Gross earnings	*$228,574,199	$201,145,752
Net earnings	*50,860,678	39,515,571

* Estimated.

PRIVATE ELEVATORS MIXING GRAIN CROP DO IMPORTANT JOB

(Continued from page 13)

standpoint of uniformity of variety and type.

Mixing next takes place when grain is cut. Here is a field visited by frost. Part of it suffered little or no damage but in some low-lying parts damage was severe and the grain failed to mature properly and there are only green berries instead of heavy golden grain. But it is all cut and stooked together.

There is further mixing when threshing takes place. Part of the field has been seeded with Marquis wheat; part, perhaps experimentally and perhaps only through carelessness, has been seeded mainly with Garnet wheat. It is all threshed together, and together drawn to the country elevator. Perhaps, in addition to grain produced from this year's sowing, some volunteer Durum wheat and some volunteer rye are included.

Parts of this field produced grain that would be graded number One northern, part grain that is no better than feed. The farmer may deliberately keep out the poorer wheat, hoping to profit by getting a higher grade on the rest of his crop, but he is more likely to let it all go to market together.

Mixing at Country Elevator

Further mixing takes place in the country elevator, when wagonloads of wheat from the same farmer or from different farmers are put together in one bin. The bin will contain grain that is considered by the agent to be uniform in grade, ranging all the way from grain that is so good as to almost belong in the next highest grade and grain that is so poor that it really should have gone into a lower grade and it may contain both different varieties and different types of wheat.

A car of grain sent forward from a country elevator is likely to contain grain which, if it could be sorted out, would represent four or five varieties and two or more types of grain. Such degree of uniformity as exists is lost completely when the grain goes into a terminal elevator. The grain from twenty-five cars or more is placed together in a single bin and still further mixing takes place when the grain from perhaps a dozen or more different bins is placed together in the holds of a vessel. There is no such thing as an unmixed cargo of grain, desirable as it might be to market grain pure in variety and uniform in grade. That is not the way it is produced and the west can market only what it produces. These facts are an essential part of the underground relating to mixing grain in private terminal elevators.

Better Grain from Private Elevators

The private terminal elevator may mix some number four and some number two and produce a blend that is grade number three, but its work consists almost as much in the segregation of grain as in its mixing. In the different bins there have been separately classified, although the government graders regarded them uniformly as of one grade of wheat, the hard red type, white wheat, wheat lowered in grade because it contained green kernels, wheat lowered in grade because the bran was rusted, wheat lowered in grade because shrivelled by rust. Some of the grain it takes in requires only to be dried to make it highly desirable. Some grades of wheat can be improved in quality by separating out small and shrunken grain. Some grain may contain smut that can be washed out with special machines. Most of the grain is dirty and it is cleaned with much greater exactness and thoroughness than ever takes place in a public terminal elevator. Thorough cleaning of grain means cleaning out some wheat often a good deal along with useless material.

Cleans Very Thoroughly

The public terminal operator, to be on the side of safety, does not clean all the dirt out of his grain because inevitably he will take wheat along with the dirt and such wheat as he takes out he cannot separate and use again as wheat of the same grade. The private terminal operator cleans thoroughly because it is only the cleaned grain that he can use to advantage in mixing. He cleans without fear of loss, because if wheat is taken out in the screenings they can be recleaned and the wheat recovered and later mixed to advantage in a lower grade. From his bins of grain that have been thoroughly cleaned and improved by the separation of inferior grain the private operator puts together grain that will make a good average of the grade he is to ship out.

Subject to Restriction

The mixing of different grades of grain is subject to special legal regulations. Some of these are the result of the fact that mixing was not an early requirement of the grain business and when it was first introduced it was looked upon with a certain amount of suspicion and dislike. Public terminal elevators are not allowed to mix different grades. Private terminal elevators, where mixing is allowed, may take in only their own grain or grain for which they have special permission from the owner to accept. The law provides a more severe grading for grain out of private terminal elevators than out of the public elevators. It is not sufficient for the grain from a private terminal to be equal in value to the minimum of a grade: it must be as good as the average of that grade coming out of the public terminal elevators.

The Canada Grain Act further provides that the Board of Grain Commissioners may demand of any private elevator that grain shipped out of such elevator shall be covered by certificates distinctly labelled "From a Private Elevator."

Notwithstanding all these provisions, which seems to indicate some doubt towards the practice of mixing, it is the contention of the operators of private terminal elevators amply supported by proof that grain coming out of such elevators better and more satisfactory in grade and quality than that received from the public terminal elevators. Much of the grain handled is improved by processing or extra separation, and the mixing which is done is so controlled as to put together those kinds of grain which best blend and is superior on that account to the haphazard and accidental mingling of all grain receiving the same grade which takes place in public terminal elevators.

Basis of Objections

Why then does anyone object to mixing? In the words of the Royal Grain Inquiry Commission of 1923, which was headed by Justice Turgeon, the objections "revolved around the contention that mixing lowers the quality of the grain shipped out under the official Canadian certificate" and that as a result of the lowering of such quality lower prices are paid. The lengthy and extensive report of the Turgeon Commission disposed effectively of that idea for all who take the trouble to study it.

Pools Do Much Mixing

When the Wheat Pools started—and especially when they established their own country and terminal elevators—it was quite open to them to market their grain without mixing it if they so desired, but it is well known that they have carried on mixing to a larger extent than has any other interest and it is a reasonable assumption that they find by so doing they are either injuring the reputation of their product, or getting less money for their producers.

How the Farmer Benefits

But when an agitation develops in the country against mixing of grain it is based not really on a fear of what may be happening to the quality of grain sent abroad but on a feeling that it is the private terminal elevator and not the farmer who benefits by the process of grain mixing and it is important, therefore, to note how the benefits of mixing are reflected in the prices received by farmers for their grain. Without the private elevators the market for grain would consist of two classes of buyers only, Canadian millers and exporters. Those buyers are in the market practically all the time for some grades or other of grain, but practically never for all grades at once. The private elevator introduces a new buying factor and one that must be constantly in the market for all grades of grain. This is because the private elevator cannot ship out any grain without first purchasing it. True it can take in grain which is not its own, and store it, provided the farmer owner gives his written consent, but the elevator cannot employ that grain in its mixing operations or ship it out until it has first bought that grain from its farmer customer or puchased an equivalent quantity of grain of the same grade to be held for the owner's orders.

Almost automatically, therefore, depositing grain of any grade for storage in a private elevator creates a customer for that quantity and grade of grain. If the private elevator operator cannot dispose of it satisfactorily under its original grade he must arrive at some blend or mixture in which it can be used to advantage.

Competition Among Private Elevators

There are many private elevators. The buying competition among them is severe. The result is that instead of particular grades of grain going to excessive discounts when neither the Canadian millers nor the exporters want them, the price is sustained by the fact that the private elevators are bidding against each other. The better prices thus established for lower grades of grain are reflected back in the prices paid at country elevators to farmers who sell their grain there instead of waiting until it is placed in store in a terminal elevator. The advantages of mixing are also reflected to the farmers' benefit in grading of grain at country elevators, particularly on what are known as "line grades." This refers to grain, and there is a good deal of it, which may be very close to the border-line between two different grades. No matter how earnestly a country elevator agent may endeavor to keep his grade in exact conformity with that of government inspection department, there is a good deal of grain about which he cannot be sure and the pressure of contact with his customer creates an unavoidable tendency to be overlenient. It is well recognized amongst farmers that there is a good chance of their getting a better grade from a country elevator operator than they may get on the same grain if they sent it forward for government inspection.

Farmers Accept Grade

That statement needs no proof to any farmer or grain buyer but it is well established by the tendency of farmers to accept the country agent's grading on their grain instead of relying on their rights to send forward grade samples for official government grading. Every elevator company, without exception, has to take what are known as grade losses. That is, it takes in grain say as number three which upon reaching an inspection point is graded by the government as number four. If, when this occurs, the grain in question goes into a public terminal elevator and can thereafter be handled only as number four and in no other grade the elevator company must lose the difference in value between number three and number four wheat. If, however, it goes into a private terminal elevator its grade may be maintained as number three at a comparatively small expense, probably by cleaning out some of the lighter grain and substituting an equivalent quantity of somewhat better grain. Were it not for its private terminal elevator the company taking in this grain in the country could not afford to permit such lenient grading on the part of its agents and country grading would be necessarily more severe than at present.

Storing and Shipping Problem

Mixing is shown to be desirable for the reasons above given, but it becomes a necessity when the physical conditons of handling and shipping our crop are considered. Anywhere from five hundred to one thousand different grades of grain may be received at terminal elevators during the course of a season. Separate binning space to keep these grades permanently separated is not available. If they are to be handled at all many of them must be "promoted" or improved by separation of inferior grain and by mixture with grain of a better quality. Were it not for the private elevators many a car of grain coming forward would lack not only a buyer but a bin in which to store it.

But even if storage space and a buyer abroad could be found, the problem of shipping space would enter into it. Vessel owners want to carry grain in large parcels or cargoes and their rates are based on the fact that grain is so moved. If they were asked to tie up a large amount of space in a boat to move a small quantity of grain of an off grade they would have to ask very much higher freight rates than those which now prevail.

Customers' Needs Are Met

Customers' requirements and knowledge must also be considered. The buyers abroad of our grain are in the market for only a limited number of grades and can be expected to familiarize themselves with the comparative values of only such grades as they see and use frequently. Buyers abroad would probably refuse to consider buying many of the grades that are produced, were there no mixing, the only possible way of disposing of them would be to mark them down to such a low price that they could be milled, and sold by Canadian mills, in low grade flour at very low prices.

From every standpoint, therefore, the physical and commercial operations of the private elevators are valuable and necessary to the handling and marketing of the Western crop.

WEST INDIES WOULD GAIN FROM UNION

(Continued from page 13)

conditions for domestic and foreign trade.

Holding Press Conference

A Press Conference is being held during the same week and in a previous issue the Financial Post suggested that the Canadian National Steamships and the Canadian Press Association should join in sending an invitation to this body to hold their next meeting in Canada.

These island colonies have much to gain from a strong press. I found, however, that many of the leading business men had not grasped this point. There are too many newspapers with the result that the field is divided and costs are increased. Each island has at least two and in many cases, three newspapers. Georgetown, Demerara, Port of Spain, Trinidad, Bridgetown and Barbados each has three daily newspapers although the population, including a large percentage of illiterate blacks, would only average about 60,000 in each city. Consolidation resulting in one strong daily in each centre would be very beneficial to the general prosperity of the people.

The chief obstacles to federation seemed to be the rivalry between Barbados and Trinidad, and to the feeling that the larger and more prosperous islands would be called on to support the smaller and weaker ones, some of which had great difficulty in balancing budgets.

Two Have Representative Government

Barbados and Bermuda, while colonies, have a measure of representative government of which they are very proud.

Distance and lack of communication have been a great obstacle but this is gradually being overcome.

Federation with Canada would probably be easier than a federation of the British West Indies, but 90 per cent. of the 2,000,000 population are black and this in itself would present a real franchise problem for us. The difficulties the United States have experienced with their colored population would cause Canada to be very reluctant to become entangled in any similar situation.

While federation seems to be a thing of the future, still there are many things which could be worked out by mutual agreement. A uniform tariff for all the islands would greatly facilitate foreign trade. They badly need lower cable rates from abroad and particularly between themselves. They need more research work to find out what they can produce to best advantage, and how to ship and market their products. A splendid start has been made by the Imperial Tropical College of Agriculture, Trinidad, but the scope of their work and the territory covered should be greatly extended.

Free Trade Not Feasible

There is considerable talk about free trade between Canada and the British West Indies. The United States have free trade with their colonies. Cuba, St. Thomas and Porto Rico have benefitted greatly.

It must be borne in mind, however, that the British West Indies depend on the tariff for their revenue and very few of them would be in a position to eliminate this source of revenue at the present time.

They are particularly desirous that Canada should extend the preference on raw sugar even to the point of entire elimination of duty on the British West Indies product. This would cost Canada about two million dollars a year.

Banks Give Good Service

I talked with the majority of the bank managers at the ports at which the "Lady Nelson" called. The Canadian banks which have established branches in the West Indies have done a real service for Canada. The managers of these West Indian branches are unofficial trade commissioners for Canada.

In a few cases I found that these managers, while interested and well informed about Canada, had never visited this country and lacked that intimate touch which only a personal visit could give.

These local bank managers have been responsible for the investment of considerable funds in Canadian securities. The low price of raw sugar has caused considerable business depression and limited the funds available for investment. The old phrase "as rich as a West Indian planter" still has some significance and in such old settled districts as Barbados there is still a good deal of wealth among the owners of the large sugar estates.

An investment banker in Barbados told me he believed there were at least fifty men who would rank as millionaires, and another fifty who would be worth over half a million. He stated further he knew of at least $15,000,000 invested by these men in Canadian securities.

Read The Post Each Week

The Chamber of Commerce at Barbados held a special meeting to give their members an opportunity to discuss increased trade between Canada and the British West Indies. I was asked to address this gathering of local business men, and after the meeting at least half a dozen men told me they read The Financial Post regularly each week. Most of them enquired regarding some Canadian securities, particularly power, pulp and paper and mining stocks in Northern Ontario.

In Trinidad, a good deal of money has been made out of oil. Trinidad exports goods to the value of over $20,000,000 each year. Roughly 40 per cent. of this is oil products and asphalt; 25 per cent. cocoa and 20 per cent. sugar and molasses.

British Guiana has a few wealthy men. Unfortunately their finances have not been in good shape. For some years they did not balance their budget. Their taxes are very heavy with the result that prices of all imported goods are higher than in the islands to the north.

Canadian-Born Governor

The British Government insisted on their surrender of some of their rights of responsible government and appointed during the past six months Sir Gordon Guggisberg as Governor.

Canada will be specially interested in Sir Gordon as he was born near Galt, Ont. He left Canada when he was ten years old and returned for the first time this last summer after a lapse of forty-nine years. He was Governor of the Gold Coast, West Africa, and it was owing to the success he made there during his tenure of office that the British Government selected him as the man who could put British Guiana in a sound financial position, and give the leadership which was needed there.

In some respects British Guiana has great possibilities. It is the gateway to South America. It has probably greater variety of natural resources than any of the Island Colonies. The climate and soil are suitable for production of sugar, rice, cocoanuts, coffee, cocoa, rubber. In mining there are diamonds, gold and banxite. In timber their chief asset is the greenheart. There is considerable quantity of this but more modern methods of logging will have to be used. Greenheart has double the strength of English oak. In fact, teak is the only wood rated above it by Lloyds for shipbuilding timber.

Small Area Developed

British Guiana has an area of 90,000 square miles, but only about 2 per cent. of this has been developed.

The developed territory is a flat strip on the sea coast. The interior is hilly and difficult of access. There are no railroads to the interior, the roads or trails are very rough and primitive. Practically the only means of access is by the river and this necessitates numerous portages. There is plenty of water power but it is located so far in the interior as to be useless.

Sugar and rice are the staple crops. The rice, while of good quality, is not white such as is demanded in Canada; it has a brownish tinge. They are now experimenting with a rice which would be suitable for the Canadian market and if they can produce it they should be able to export a considerable quantity to us.

British Guiana is not a white man's country. The East Indian is the only type who makes a success on the plantations.

Sir Gordon Guggisberg, the governor, is anxious to bring in at least two million people, chiefly East Indians. He does not believe in large plantations but is anxious to have these immigrants take up small parcels of land. The land is fertile and plentiful, and with wise leadership this country should experience considerable expansion.

The government derives considerable revenue from the Aluminum Co., who mine here the bauxite which is transported to Quebec and refined at Arvida.

Bermuda Most Prosperous

Bermuda is the most prosperous of any of the islands. There are four large metropolitan hotels and many smaller hostelries and boarding houses. There is a fast steamship service to New York,—40 to 48 hours,—and from the middle of December to May every boat is crowded with pleasure-seeking Americans and a limited number of Canadians.

Few people realize that Halifax is only 36 miles farther than New York from Bermuda. The United States are doing 50 per cent. of Bermuda's import trade, while Canada is only doing about 18 per cent. There is a friendly feeling toward Canada and with a 25 per cent. preference we should be able to increase our trade considerably.

Taxes are very low in Bermuda. The general tariff, which averages 10 per cent. to Canada and other parts of the British Empire, and 12½ per cent. to other countries, brings in the bulk of the revenue. Taxes on land and buildings are almost negligible. There is no income tax and succession duties are unknown. Some wealthy Americans and a few Canadians make their permanent home there and thus escape taxes which would be onerous in their native country.

Bermuda undoubtedly offers to tourists the best hotel accommodation of any of the West Indian Islands, but while the service is excellent, prices have reached a height which is beyond the means of a great many people who would be content with simpler fare. St. Kitts, St. Lucia and other Windward and Leeward Islands have greater scenic attractions, a wonderful historic background and a very equable climate. It would seem reasonable to expect that improved steamship service will stimulate tourist travel to these islands and that suitable hotels will be built to give the needed accommodation.

OTTAWA SEEKS GOLDEN MEAN ON RAIL LINES

(Continued from page 13)

from Prince Albert, the Canadian Pacific should give the National the right to take running rights over the proposed line running north to Lac la Ronge and Rottenstone Lake.

But it Doesn't Help

The only difficulty with this policy is that it fails to eliminate perhaps the sorest point of disagreement, in northwestern Saskatchewan. It will not suffice to say to the Canadian Pacific that their aspirations in this area must be smothered and forgotten. The C.P.R. is scarcely likely to see things that way, because if one looks at the map showing the branch line program it is quite obvious that the proposed C.P.R. extension from the Great Waterways railway in northern Alberta eastward to Prince Albert and thence to Nipawin, is part of a great and very important scheme of railway development. In short, the Canadian Pacific is giving the northern country a new transcontinental line running from the Peace River country to the Hudson Bay. And if the Hudson Bay route turns out to be an important trade highway, the effect of such a line upon western development will be more profound than may easily be imagined.

Vital to Canada's Future

Once the line from Nipawin is connected with the Hudson Bay railway or direct with Churchill, the produce of the Peace river district could be hauled to tidewater on Hudson Bay probably more cheaply than at the present time to tidewater at Vancouver. The distance either way would be approximately the same—900 miles. The eastern route would be over prairie with easy grades, while the western route would cross the mountains. Such a development would place all of northern Alberta as close, in a transportation sense, to the British market as western Ontario.

This is written in an effort to show that in addition to being a battle for branch line areas there are developments involved in these programs of the greatest importance to this Dominion. The decisions arrived at will have a vital bearing upon the future economic development of the country.

Can. Industrial Alcohol Again Enlarges Profits

From Our Own Correspondent

MONTREAL.—The lethargic market condition of the stock of Canadian Industrial Alcohol has been the cause of selling by tired shareholders. Alcohol is to-day selling far below its high mark.

So far in the company new year, sales have been showing an increase of approximately 30 per cent. over the previous period, with a corresponding increase in profits. With about 10,000,000 gallons of alcohol in storage, common shareholders have large assets behind their stock, and the outlook for the current year is favorable.

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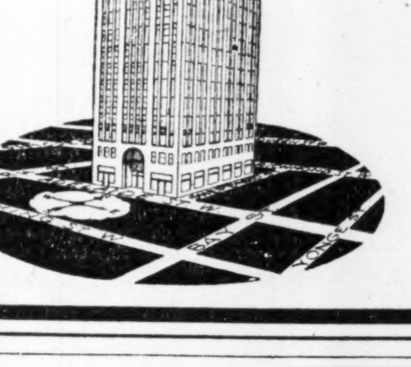

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Reprinted from the Wall Street Journal, New York
December 28, 1928
How Fortunes Are Made
Many people have become rich because of their faith in John D. Rockefeller and Standard Oil management, and some very, very rich. The reason they are rich is because they bought S. O. stocks years ago for a long pull. Few big estates are without good-sized blocks of representative Standard Oil shares.
An analysis by Dow, Jones & Co., shows that when you put your money in S. O. shares it works hard for you. As an example, a total of $3,582,287,578 in cash and stock dividends was distributed by the Standard Oil group from December, 1911, to December, 1928. This total exceeds the total market value of old S. O. of New Jersey's capitalization, about the time it was forced to dissolve, seven times over.
In 1912 the S. O. group paid $51,586,000 in cash dividends, compared with $222,337,000 this year. And the next 17 years may be even more productive in the way of stock and cash dividends than the past 17 years.
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COCKSHUTT PLOW EARNINGS $2.89 ON NEW SHARES

Liquid Position Virtually as Good After Preferred Payment

Cockshutt Plow Co. dipped into its surplus for only a very moderate amount in order to pay the $646,500 in cash to preferred shareholders in accordance with the scheme of arrangement whereby arrears were wiped out and the preferred and common stock of the company became no-par common to the number of 288,600 shares.

Profit for the year is shown at $827,451, which is the equivalent of $2.89 per share on the new no-par stock. This is somewhat under the $1,000,000 of net profit which had been predicted but the shareholders can console themselves with the knowledge that the balance sheet is stronger than before and that the corporate picture no longer is marred by the auditors' note regarding the arrears of dividends which totaled more than 50 per cent. on the $7,500,000 of 7 per cent. cumulative preferred which existed prior to the present year.

There is a lowering of working capital, from $6,158,298 to $6,045,203. Current assets total $6,492,992, compared with $6,265,841 a year ago but there is an increase in current liabilities, from $107,543 to $447,789. Investments in government bonds and other securities, at cost, stand at $1,045,750, compared with $1,144,138 a year ago. Inventories show at $3,338,624, compared with $2,578,313 a year ago. Accounts receivable stand at $2,108,618 compared with $2,578,313 a year ago. There is now a bank loan of $89,915. Accounts payable total $54,616, compared with $51,750, and dividends payable and unclaimed total $238,258, compared with $5,793 a year ago.

The share capital is carried on the books at the same figure as the par value of the old stock, $11,465,000. Reserves total $2,400,000. There is an increase in fixed assets from $7,465,708 to $7,566,057. Shares in affiliated companies are down from $694,000 to $674,071. Cash is reduced from $85,154 to $24,505.

Following is the profit and loss account for the last three years:

INCOME & SURPLUS ACCOUNT
Years Ending December 31

	1928	1927	1926
	$	$	$
Net earnings * ...	827,451	448,690	305,450
Other profit	......	48,074	......
	827,451	496,764	305,450
Less: Prov. taxes and unadj. claims	54,936	43,364	......
Net profits	772,515	453,410	305,450
Less Appropriations:			
Dividends	216,450	......	258,600
Pref. stock conversion	646,500	......	......
	862,950	453,410	258,600
Surplus for year ..	†90,435	453,410	46,850
Add: Prev. surplus	570,352	116,942	70,092
Bal. carr. forward	479,917	570,352	116,942

*After depreciation and bad debts.
† Deficit.

INVESTING TRUSTS TO BE CONTROLLED IS OTTAWA'S PLAN

But It is Not Certain Old Line Companies Are Satisfied

From Our Own Correspondent

OTTAWA.—The efforts of the trust companies to prevent the incorporation of so-called "investment trust" companies is bearing fruit in the form of amendments to the Companies Act at the forthcoming session of parliament.

Whether the amendments will satisfy the trust men is uncertain and it is also uncertain if these men have been consulted by Hon. Fernand Rinfret, the minister in charge of the Companies Act, or any other member of the cabinet. The controversy in regard to the incorporation of "investment trust" companies began when the first one was given corporate life and, in succeeding years, has become more bitter as the number of investment trusts increased.

The position of the trust company men was quite understandable. All trust companies operating under the Trust and Loan Act are subject to very strict inspection and regulation by the federal department of finance. This is a precaution taken to protect the public, and naturally over a period of years the general public has come to place unbounded reliance upon the solidity of trust companies. However, the new investment trust company is not a trust company at all, under the Trust and Loan Act, but is merely an ordinary company, subject to no special inspection or supervision. Obviously it is not right that such companies should make use of the word "trust" unless they are prepared to submit to the same supervision. The investment trusts, of course, are not prepared to submit voluntarily to such exacting inspection.

More Charters Slipped Through

The upshot has been a great deal of negotiating between the trust company men and the cabinet and a number of verbal understandings to the effect that no further investment trusts would be incorporated. These understandings never seemed to be sufficiently general to include the particular cabinet ministers most concerned, with the result that new incorporations were continually slipping through.

Now however, the Companies Act is to be amended and presumably the latest understanding between the cabinet and the trust companies is to be given statutory authority.

The actual amendment, according to information here, is not impressive. Investment trust companies are to be incorporated in the future without let or hindrance but the Secretary of State, Mr. Rinfret, at the moment, is to be empowered to draft such regulations for their supervision and control as may be deemed necessary. There is to be no compulsion about it, as far as may be learned. The Secretary of State may or may not, just as he pleases, but no doubt there is some understanding with the trust companies that he will. Of course the presumption that the trust companies are parties to this proposal may be entirely inaccurate. In that event they will be interested to learn of the present intentions of the government in this regard.

There are to be rather extensive amendments to the Companies Act this session, and while detail is not available it is said, authoritatively, that the amendments will follow those made to the British act a few months ago rather closely. In a general way the intention is to allow companies greater freedom in issuing stock of no par value.

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The Bell Telephone Company *and* the American Company

The Bill before Parliament

THE Bill which the Bell Telephone Company is bringing before parliament is an amendment to the company's act of incorporation, to allow the company to seek new capital from investors for extension of the telephone system.

Previous advertisements have given the details of this situation and of the relationship between the telephone company and the Northern Electric Company.

This advertisement tells of the relationship with the American Telephone and Telegraph Company.

THE relationship between the Bell Telephone Company of Canada and the American Telephone and Telegraph Company consists of:—

1. stock —the American Telephone and Telegraph Company owns thirty-one per cent of the Bell Telephone Company's shares.
2. contract—the Bell Telephone Company owns a contract by which it has access to patents and the A. T. & T. supplies research products and other assistance on a sliding scale of payment.

The stock relationship has existed since the Canadian company began in 1880. The contract was made in 1923. Each of these is highly important to telephone users in Ontario and Quebec and each will now be explained.

how stock relation began

ALEXANDER Graham Bell invented the telephone after experiments in Brantford and Boston and obtained the patent in 1876.

He gave the Canadian patent to his father, Professor Melville Bell.

He kept the United States patent and made a trust agreement with three other men in Boston, who had helped him.

The three other men were Watson, Sanders and Hubbard. The trusteeship was formed in Boston in 1877 and was called the American Bell Telephone Company. Its purpose was to develop Bell's basic idea for commercial use.

In Canada, the telephone was taken up as a side issue by telegraph companies and by several local companies which either obtained a patent license from Melville Bell or did not worry much about patents.

This situation became very confused. Those who had faith in the telephone saw the need of uniting these divergent activities and Hugh C. Baker, of Hamilton, secured a charter from the Dominion Government incorporating the Bell Telephone Company of Canada.

Mr. Baker's object was to bring the various Canadian companies together and to buy the Canadian patent from Melville Bell.

But the money to do this could not be raised and Melville Bell sold his Canadian patent back to the American Bell Telephone Company which, by this time, was becoming firmly established.

money is finally provided

AS owners of the Canadian patent the American company sent the late C. F. Sise to Canada with a view to uniting the various Canadian groups in one strong company which could take over the patents and develop the business.

Mr. Sise found that while these things could be accomplished $400,000 would be required, and only about two-thirds of this money could be raised in Canada. Most Canadian investors still regarded the telephone as what the London Times had called "another American humbug".

Finally the American company agreed to supply the necessary third of the $400,000. Mr. Baker agreed to turn over the charter of the Bell Telephone Company of Canada and Mr. Sise undertook to bring the divergent groups together.

He accomplished this at the end of 1880 and the Bell Telephone Company of Canada began its career.

development since 1880

THE American Bell Telephone Company is now the American Telephone and Telegraph Company. With its associated companies it operates the Bell system throughout the United States, with over fourteen million telephones.

In Canada there has been similar development. The late C. F. Sise who organized the company and became its president nine years later, built the system from nothing to 243,000 telephones. His son is president of the company today and the system has grown to over 700,000 telephones.

Throughout this amazing growth the stock relation between the two companies has remained almost the same. There has been no attempt on the part of the American company either to increase its holding to a controlling interest or to withdraw its support.

The telephone system in Ontario and Quebec today is owned by 15,300 shareholders.

Of these, 95 per cent live in Canada and own 62 per cent of the total shares.

The American company holds 31 per cent of the shares and the ownership of these shares is divided again among the American company's 450,000 shareholders.

The remaining 7 per cent of the stock is held in the British Isles and other countries.

The average individual holding is 27 shares, which yield an income of $216 a year. The largest individual holding is 1510 shares, which is one quarter of one per cent of the total.

effect of stock relation

THE Bell Telephone Company is thus an example of a great enterprise which has become thoroughly democratized.

Although it has become one of the largest institutions of the country, it has never exploited the public, nor has it itself been exploited for the benefit of either individuals or groups.

It is controlled today by an increasing body of Canadian shareholders and managed by Canadian directors to serve the Canadian public. And it is serving the public at rates which are the lowest in the world for comparable service. To these circumstances the stock relationship with the American company has contributed with three definite advantages for Canadian telephone users:

1. It has been a source of new money for development.
2. It has been a safeguard against exploitation.
3. It has been a source of experience and advice.

1. a source of new money

THE growth of the telephone system has depended on the willingness of shareholders to invest more money in it through purchase of new shares.

The American company, as a shareholder, has never failed to respond. In good times or bad, whenever new money has been needed, it has consistently subscribed for the full amount of new shares allotted to it.

For each share thus subscribed the American company has paid full par value, or over par, and in this way has supplied for the development of the telephone system in Ontario and Quebec approximately one-third of the new share capital required.

2. safeguard against exploitation

DURING the forty-eight years of its history the telephone company has not been overlooked by the type of promoter who seeks to profit by securing control of large companies. There have been several attempts by such groups to secure control of the telephone company.

Had control passed to such a group the probable plan would have been to re-capitalize the company, to issue bonus stock or to distribute to shareholders such funds as the profits on the plant sold to western provincial governments in 1907 and 1908 which, instead, have gone into new plant.

Any one of these things would mean increased cost of telephone service in Ontario and Quebec, and the management would be powerless to prevent them if a change in control took place.

But each attempt to exploit the telephone company has failed. It has failed because the substantial holding of the company's shares by the American company has been in the hands of men whose interest in the telephone business is the progress of the industry and not its financial manipulation.

3. a source of experience

FOR over forty years, from the beginning of the company in 1880 until the making of the service contract in 1928, the American company extended to the Bell Telephone Company of Canada the results of its experience in some of the services now provided by contract.

These services were extended without charge because of the friendly relationship and the financial interest between the two companies dating from the circumstances of 1880.

Some of the services are described in the paragraphs below relating to the contract. They represent saving in costs for telephone users and increased efficiency in operation.

effect of contract relation

THE other part of the relation between the Bell Telephone Company of Canada and the American Telephone and Telegraph Company is the contract, made in 1923.

Prior to 1923 there was no definite service agreement between the two companies. The Bell Telephone Company received some services from the American company but, as stated above, it received them through goodwill and without charge.

The associated companies in the Bell system of the United States were receiving similar service but they were each bearing a share of the cost.

Prior to 1923 some of these associated companies had pointed out that an arrangement under which they paid for these services while the Canadian company paid nothing was unfair.

The American Telephone and Telegraph Company agreed with this view and advised the Canadian company that services could no longer be given free of charge.

The executive discussed the question fully with heads of departments and decided that the services rendered by the American company were too valuable to be abandoned. Accordingly they negotiated with the management of the American company and the contract of 1928 resulted.

The contract is terminable, at the option of the Canadian company at the end of 1932.

The advantages which the Bell Telephone Company has secured by the contract are:

1. use of all products and developments of Bell research laboratories;
2. rights to the use of all inventions;
3. experience in operating methods.

In return for these the Bell Telephone Company pays a fee which was approximately one and one-half per cent of its gross revenue and has since been reduced.

The value of these services is indicated in the paragraphs below so far as their highly technical nature will permit.

1. products of research

THE research laboratories of the Bell system in the United States, operated by the American Telephone and Telegraph Company, are the largest industrial research laboratories in the world.

A staff of five thousand is engaged in solving operation problems or in seeking improvements. They are the men who have made it possible to speak across the continent and over the Atlantic and who now are raising the curtain on the new miracle of television.

The Bell Telephone Company's contract gives the services of these five thousand workers. It means that for each three employees engaged in operating the system in Ontario and Quebec there is one seeking constantly to improve it.

No single company could hope to support such a research organization as this. It becomes possible only through the co-operation of a number of companies.

In these research laboratories men work on problems both great and small. Their object is always to find a better and more economical way.

One important example of the results they achieve is the "loading coil", which transmits messages over wires fine as hair. It used to be necessary to have heavy wires, increasing in size with distance, and the heavy wires were costly. The loading coil has saved millions of dollars in telephone costs.

The loading coil now in use was evolved by research workers from the formula of Dr. Michael Pupin. It illustrates the fact that without such laboratories few patents would have any practical value, because a patent—like the Pupin formula—is usually but the germ of an idea.

The development of cable is another illustration of what research has done for telephone service. Conduits beneath city streets now carry 1200 pairs of wires in a single duct where the limit once was 50 pairs.

Beneath the pavement of Yonge Street, Toronto, and St. Catherine Street, Montreal there are conduits which have served without replacement since 1891 because the high development of cable saves enlargement of ducts. And with increased cable capacity has come also better quality of transmission.

It is by such things that the research clause of the contract means money in the pockets of Canadian telephone users. The telephone becomes more valuable to the user every year by its improving efficiency and because it is constantly being connected with thousands of new telephones. But this development does not bring increased rates because increasing costs are largely offset by the economies which research produces.

2. use of all inventions

THE American Telephone and Telegraph Company, after fifty years of development, controls over 5,000 patents which cover every phase of telephone operation.

The service contract of 1923 places the American company under obligation to take out Canadian patents on new devices which the Canadian company may wish to use or protect.

This patent service is provided under the contract. And if the Canadian company decides to terminate the contract provision has been made to continue all patent rights.

3. experience in operating

BECAUSE the telephone is constantly improving and because the system itself is constantly growing larger the methods of operation in every department are always changing.

Changes in methods of operation come about through trial and comparison and sometimes the process of experiment is costly and difficult until the best method is found.

By its contract with the American company the Bell Telephone Company is relieved of a great deal of this cost and difficulty. The contract gives the Bell Telephone Company a steady supply of reports and statistics regarding new methods tried out by the associated companies of the American system. In this way experiments which might be unsuccessful and even disastrous are avoided.

When a change in method is made by the Bell Telephone Company it is to a well tested method of which the merits have been proved and the services of specialists from the American company's staff are available, by the contract, to assist in making the change.

An example is the change from the manual to the dial system. The perfection of the dial instrument is a mechanical miracle, but it is not enough. The method by which the change could be effected without disrupting the whole system is almost equally important. For an operating company to find such a method by experiment would be a costly and troublesome process. The Bell Telephone Company secured the best method after it had been proven and has had the services of experts to put this method into practice.

In every department of the system, commercial, traffic, plant, accounting and engineering, scores of similar examples could be given, some great and some small, but all contributing to the efficiency and economical operation of the system.

protection for telephone users

EACH of the three main points secured by the service contract is to the definite advantage of those who use the telephone system in Ontario and Quebec.

And the stock relationship, by which the American company lends its strength to the management of the Bell Telephone Company but has no control of the company's operation, is a protection for the telephone users and an assurance against manipulation.

THE BELL TELEPHONE COMPANY OF CANADA

821

G & Co Ltd

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Oil Output Growing

More than two-thirds of the production of oil in Canada during 1928 was furnished by wells in the Turner Valley, while the total for the Dominion for the year exceeded the production of 1927 by 154,185 barrels. During 1928 Turner Valley produced a total of 479,399 barrels, while the Wainwright field contributed 6,919 barrels. It is estimated that New Brunswick and Ontario together gave another 157,850 barrels.

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CANADIAN STOCK AND BOND QUOTATIONS

Stock Market Record

WEEK ENDING JANUARY 22

Banks—	Par Value	Div. Rate	Yield Jan. 21	High for wk.	Low for wk.	Close Jan. 22	Close Jan. 15	Sales for wk.	Range 1929 High	Range 1929 Low
Commerce	$100	12+1	3.90	335	331	335	335	221	340	330
Dominion	100	12+1	4.77	273	271	272	275	86	280	271
Can. Nationale	100	10	5.40	185	182	185	189	33	189	182
Imperial	100	12+1	4.72	275	272	274	270	111	275	268
Montreal	100	12+2	3.37	425	410	415	406	1125	425	395
Nova Scotia	100	16	4.00	401	396	401	396	163	401	396
Royal	100	12+2	3.59	390	385	388	390	494	400	382
Toronto	100	12+1	4.71	278	272	277	278	146	282	272

x Quotations for 1928. No sales recorded in 1929 to date.
*On arrears.

A. J. Pattison, Jr. & Co.
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Dividends Declared

	Rate	Date	Record
Inter. Utilities, pref.	$1.75	Feb. 1	Jan. 17
Dom. Bridge	65c.	Feb. 15	Jan. 31
Bruck Silk Mills, c.	25c.	Feb. 15	Jan. 31
Russell Motor, com.	2+1%	Feb. 1	Dec. 31
Do., pref.	1¾%	Feb. 1	Dec. 31
East. Theatres, pfd.	3½%	Jan. 31	Dec. 31
Imperial Bank	3%	Feb. 1	Dec. 31
Cockshutt, c.	75c	Feb. 1	Jan. 15
Penmans, com.	$1	Feb. 15	Feb. 5
Do., pref.	1½%	Feb. 1	Jan. 21
Steel of Canada, c., new	50c	Feb. 1	Jan. 19
Do., bonus	18¾c	Feb. 1	Jan. 19
Do., pref.	50c	Feb. 1	Jan. 19
Do., bonus	18¾c	Feb. 1	Jan. 19
Can. Bronze, c.	50c.	Feb. 1	Jan. 20
Do., pref.	$1.75	Feb. 1	Jan. 20
Waterloo Mfg. "A"	25c.	Feb. 1	Jan. 15
Do., "B"	50c.	Feb. 1	Jan. 15
Belding Cort., c.	3½%	Feb. 1	Jan. 14
Teck Hughes	15c.	Feb. 1	Jan. 17
Can. Dredge, com.	75c.	Feb. 1	Jan. 16
Inter. Paper, c.	60c.	Feb. 15	Feb. 1
Hollinger	1%	Jan. 28	Jan. 11
Foreign Pr. Secs.	1½%	Feb. 15	Jan. 31
Inter. Nickel, pfd.	1¾%	Feb. 1	Jan. 18
Mercury Mills, pfd.	1½%	Feb. 1	Jan. 15
Ham. Bridge, pfd.	1⅝%	Feb. 1	Jan. 15
Stamfords 1st and 2nd pfd.	1¾%	Feb. 1	Jan. 15
Can. Dredge, pfd.	1¾%	Feb. 1	Jan. 16
Brad. Brew.	50c	Feb. 1	Jan. 15
Royal Bank	3%	Mar. 1	Jan. 31
Humberstone Shoe, c.	50c	Feb. 1	Jan. 15
Pelissiers, pref.	1¾%	Feb. 1	Jan. 15
Brazilian, c.	50c	Mar. 1	Jan. 31
East. Theatres, c.	50c	Mar. 1	Jan. 31
Service Stn., pfd.	1½%	Feb. 1	Jan. 15
Gen. St. Wares, pfd.	1¾%	Feb. 1	Jan. 15
B. C. Pulp, pfd.	$1.75	Feb. 1	Jan. 15
Zimmerknit, pfd.	1¾%	Feb. 1	Jan. 21
Ont. Equitable	3%	Feb. 1	Jan. 16
Crows' Nest Coal	1½%	Mar. 1	Feb. 8
McIntyre Mines	5%	Mar. 1	Feb. 1
Bk. of Toronto	3%	Mar. 1	Feb. 15
Ontario Steel, c.	40c.	Feb. 15	Jan. 31
Do., pref.	1¾%	Feb. 15	Jan. 31
Woods, Alex. & James, 1st pfd.	1¾%	Feb. 1	Jan. 19
Weston, Geo., pfd.	1¾%	Feb. 1	Jan. 19
Bk. of Commerce	3%	Mar. 1	Feb. 14
Stand. Paving	37½c.+12½c.	Feb. 15	Jan. 31
Can. Oil, com.	25c.	Feb. 15	Feb. 1
Do., pref.	2%	Apr. 1	Mar. 20
Massey-Harris, pfd.	1¾%	Feb. 15	Jan. 31
Lake of Woods, com.	80c.	Mar. 1	Feb. 16
Do., pref.	1¾%	Mar. 1	Feb. 16

Unlisted Stocks

Recent London Quotations

Brewers & Distillers	18s.
Calgary Power	165
Hudson's Bay	130s.
Hudson's Bay, 5% pref.	97s. 6d.
Can. West Lumber	9s. 6d.
Standard Chemical, 7%	27½
Dominion Tar	70s.

Recent Vancouver Quotations

	Bid	Asked
B. C. Telephone, pfd., new 6%	105	106½
Pacific Coyle, com.	10½	13
Gosse Packing, pref.	83½	85

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	...
Can. Fire Ins. Co	...	110
Home Invest. & S. Ass'n	...	76
N. Mtge. 50% paid	80	...
Northern Trusts Co.	...	51
Standard Trusts Co.	...	83
No. Star Oil, pref.	...	5.40
No. Star Oil, com.	...	9.00
West. Steel Prod., pref.	...	97
Do., com.	40	...
Crescent Creamery	101	...

Foreign Exchange

NEW YORK FUNDS

	High (Premium)	Low (Premium)	Last year High (Premium)	Last year Low (Premium)
Jan. 17	17-64	17-64	13-64	3-16
Jan. 18	17-64	1-4	13-64	3-16
Jan. 19	15-64	7-32	13-64	3-16
Jan. 21	17-64	7-32	13-64	3-16
Jan. 22	1-4	15-64	3-16	3-16
Jan. 23	15-64	7-32	3-16	3-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Jan. 17	4.84 5-8	3.90 7-8	5.23 3-8
Jan. 18	4.84 21-32	3.90 11-16	5.28 1-4
Jan. 19	4.84 19-32	3.90 5-8	5.23
Jan. 21	4.84 19-32	3.90 1-2	5.23 1-8
Jan. 22	4.84 9-16	3.90 9-16	5.23 1-16
Jan. 23	4.84 9-16	3.90 9-16	5.23 1-8

FOREIGN EXCHANGE

Par		Jan. 16	Jan. 23
19.30	Italian	5.24	5.24
23.80	German	23.83	23.82
13.90	Belgian	13.93	13.93
49.80	Japanese	45.42	45.52

NEW YORK CURB

	Close Jan. 9	Close Jan. 16	Close Jan. 23
Can. Marconi	9 3-8	8 1-8	8 1-4
Ford Canada	778	675	652
Imp. Oil Can.	100 1-2	99 7-8	100
Inter. Pete.	56 1-2	56 1-2	62 1-4
Int. Util. "A"	45	..	45
Int. Util. "B"	16 3-8	16 1-2	16 1-8
Nipissing	3 1-4	3 3-8	3 3-8
Noranda	64 3-4	61 7-8	65

McCOLL-FRONTENAC GAS MORE POPULAR

Large Companies Adopt Cyclo Process — Requires Enlarged Facilities

From Our Own Correspondent

MONTREAL.—Some developments in the oil situation in the United States have a favorable bearing on the situation surrounding the McColl-Frontenac Oil Company. It is rumored that some of the largest U. S. oil companies are negotiating with Chemical Research, Limited, with a view to obtaining the manufacturing rights for gyro gas. Gyro gas is identical with cyclo gas which McColl-Frontenac produces under certain rights in this country. The rights to the process are owned by Chemical Research.

In the meantime, the American Shell Company has closed a contract with the owners of the process which permits the refining and distribution of 30,000 barrels daily by that company. The Pure Oil Company of the United States is also producing and distributing gyro motor fuel, or cyclo fuel, under contract.

The Shell Company in this country will have no share in the process which the sister company in the United States has adopted, as McColl-Frontenac has the rights for Canada. These developments of the gyro process in the United States, coupled with the gossip of further impending developments there, undoubtedly bear out the faith which the McColl-Frontenac management has placed in cyclo motor fuel.

The company now ranks as the third largest refiner and distributor in Canada. Despite the rapid growth of the organization, the company is still finding difficulty in keeping up with the increasing demand for its products. This accounts for the continual expansion of the McColl-Frontenac distributing facilities.

McColl-Frontenac has just acquired several more distributing stations in Ontario to anticipate the increased demand for fuel and oil in the coming season. Last year's shortage of motor fuel will be relieved by the completion of the new cyclo refining unit in Toronto. Nevertheless, the management of the company feels that with its enlarged distributing system, that the demand this summer for cyclo gas may again exceed the supply.

In the province of Quebec, the production facilities will be relieved by the operation of the new unit at Toronto. In addition, a new marathon gas unit is being erected at Montreal; it will be ready to operate early in the summer months.

GILBEC SHIPMENT

Returns from Gilbec's 50-ton copper shipment to Noranda are keenly awaited. As it was undoubtedly sorted it is expected to run 20 per cent. copper.

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Listed Bond Quotations

Week Ending January 22

	Int. Rate	Due	Yield	Ask	Latest Price Bid	Latest Price High	Latest Price Low	Range 1928 High	Range 1928 Low	Range 1929 High	Range 1929 Low
Montreal—											
Asbestos	5	1942	...	....	104	...	...	106	96	100	...
Asbestos, 1st mtge.	6	1941	6.57	98¼	94¼	95	93	103	96	95¾	93
Asbestos, gen. mtge.	6	1956	7.21	87½	84½	85½	85	99½	84	86	84½
Can. Car	6	1939	5.04	....	108	...	...	108	106½	...	...
Can. Cons. Rubber	6	1946	...	....	103½	...	...	103½	102½	...	...
Can. Cottons	5	1940	...	....	...	...	...	99½	98⅞	...	...
Can. Forgings	6	1942	...	....	...	...	...	98	...	...	...
Can. Locomotive	6	1951	6.14	....	...	...	...	100	98¼	...	...
Can. Pr. & Pr., deb.	5½	1958	6.40	88	87	88	87	94	83	89¼	86
Can. S.S. deb.	5	1943	4.90	....	...	...	...	103¼	101	...	...
Cedar Rapids	5	1953	4.86	....	...	...	...	105¾	96⅞	...	...
Dom. Canners	6	1940	5.48	....	97	...	...	104¼	102	...	...
Dom. Coal	5	1940	5.24	....	...	...	...	99⅞	95	98⅛	...
Dom. Iron	5	1929	8.45	....	...	...	...	102	94	...	...
Mex. Elec.	5	1942	8.88	71⅝	71½	71½	...	78¼	69¼	...	...
Mex. L. H. & Pr.	5	1940	8.91	....	...	...	...	87¾	70	71½	71½
Mont. L. H. & Pr.	4½	1932	5.34	100	99	99⅜	...	97	...	...	...
Mont. Tr., 1st mtg.	5	1941	5.06	98½	97¼	97½	97	102¼	98¼	99⅜	99
Mont. Tr., "A"	5	1955	5.17	....	...	...	...	102	97½	98½	97
Mont. G. & R. S. F. "B"	5	1955	5.18	98½	97¼	97¼	...	102	95	97¼	...
Nat. Brew.	6	1939	...	....	...	...	...	105	104¾	...	...
N. S. Steel	5	1959	...	....	...	...	...	77	69	...	...
Ogilvie Flour "A"	6	1932	5.43	....	102½	...	...	103½	101	...	...
Do. "B"	6	1932	...	....	102½	...	...	103	102	...	...
Do. "C"	6	1932	...	....	102½	...	...	104	...	...	...
Ont. Steel	6	1943	5.58	....	104	...	...	104	103⅝	104	...
Porto. R. Rly.	5	1936	...	....	...	...	...	91¾	...	...	...
Rio Janeiro	5	1935	...	97¼	96	95¾	...	...	...	...	...
Steel of Can.	6	1940	5.20	....	...	...	...	108	104	95¾	95¾
Wabasso	6	1947	5.91	....	...	...	...	103½	101	107	...
Wayagamack	6	1951	6.00	....	100	...	...	105¼	100	101	...
West. K. Power	6	1940	...	....	...	...	...	101	...	100	...
Winn. Elec.	5	1935	...	....	...	...	...	100	99	...	...
Toronto—											
Canada Bread	6	1941	5.82	108	107½	...	...	108½	107	101½	...
Can. Canners	6	1950	5.80	....	102	102¼	101½	102½	101	102¼	101½
Dom. Canners	6	1940	...	....	...	...	...	104	104	...	...
Porto R. Rly.	5	1936	...	....	92	...	...	92½	92	...	...
Postal Tele.	5	....	...	94	...	...	...	95¾	93¾	93¾	93
Steel of Can.	6	1940	...	....	107½	...	...	108	108	...	...
Dominion Govt. Bonds (Montreal)—											
War Loan	5	1931	4.90	100.55	100.15	100.00	99.85	102.85	99.90	100.25	98.85
Do.	5	1937	4.60	102.80	102.10	102.20	102.00	106.40	102.25	103.00	102.00
Victory Loan	5½	1933	4.96	102.10	101.95	102.10	101.75	106.50	101.90	102.50	101.75
Do.	5½	1934	5.05	102.25	102.05	102.10	101.90	105.85	101.15	102.10	101.70
Do.	5½	1937	4.65	105.90	105.40	106.05	105.55	110.95	105.50	106.05	105.30
Do., Refund	4½	1940	4.54	98.15	97.40	98.15	97.20	102.70	98.20	99.70	97.20
Do., Refund	5	1943	4.78	102.85	102.50	102.40	102.10	106.10	101.30	102.40	102.00
Do., Refund	4½	1944	4.53	98.85	97.90	97.90	97.60	103.05	98.50	98.15	97.60
Do., Refund	4½	1946	4.53	98.80	98.10	98.50	97.95	103.20	98.40	98.50	97.95
Do., Renewal	5½	1932	5.10	101.10	100.90	101.70	100.15	104.45	100.80	101.70	100.15

Flood Barnes Active Bond Prices

January 23rd, 1929

	Price	Rate	Years to Maturity	Next Int. Date	Yield %
Agric. Mtge. Bk. of Colombia Gtd. S.F. 7's due '47	98¾	7	19	June 16	7.12
Alberta Pacific Grain 1st S.F. 6's due '46	102½	6	18	June 1	5.78
Argentine Govt. 6's Series B due '58	101	6	30	June 1	5.93
Asbestos Corp. 1st Ref. S.F. 6's due '41	100	6	13	July 1	6.00
Asbestos Corp. Gen. Mtge. S.F. 6's due '56	87	6	28	July 1	7.10
Bell Tel. of Canada 1st 5's Series B, due '57	103	5	29	June 1	4.80
Brazil, United States, Ext. S.F. 6½'s, due '57	95½	6½	29	Apr. 1	6.86
Can. Cement Co. 1st Mtge. S.F. 5½'s due '47	102½	5½	19	May 1	5.28
Canada Power & Paper Coll. Trust 5½'s due '58	89	5½	30	July 1	6.31
Canada Paper 1st S.F. 6's due '45	103	6	17	June 4	5.72
Can. Light & Power 1st S.F. 5's due '49	95½	5	21	July 1	5.35
Canada S.S. Lines 6's 1st and Gen. Series A due '41	102½	6	13	Apr. 15	5.72
Canada S.S. Lines Consol. 5's due '43	103	5	15	Feb. 15	5.36
C.P. Rly. Coll. Trust 5's due '34	101¼	5	6	Apr. 15	4.75
C. P. Rly. Secured 4½% Notes due '44	98¼	4½	16	Apr. 15	4.64
Can. Goodrich Income 7's due '43	70	7	15	....	...
Chile Repub. Ext. S.F. 6's due '60	94	6	32	Apr. 1	6.46
Colombia Repub. Ext. S. F. 6's due '61	91	6	33	Apr. 1	6.68
Dom. Iron & Steel Consol. S.F. 5's due '39 (£)	72	5	11	Mar. 1	...
Donnacona Paper Co. 1st S.F. 5½'s due '48	97	5½	20	Feb. 1	5.75
Donnacona Paper Co. 6's Debentures due '48	97¼	6	20	Feb. 1	6.24
Duke Price Power 1st S.F. 6's Series A, due '66	105¾	6	38	May 1	5.63
Fraser Companies 1st S.F. 6's due '50	102	6	22	July 1	5.83
Fraser Companies 6½'s Debentures due '42 (Cum. Stock Rights)	109	6½	14	Apr. 1	5.56
French Line Ext. S.F. 6½'s due '51	102	6½	23	Feb. 15	6.32
French Nat. Mail S.S. Line Ex. S.F. 6's due '52	100	6	24	May 1	6.00
General Steel Wares 1st S.F. 6's due '52	102	6	24	May 1	5.84
Gatineau Power 1st S.F. 5's due '56	97¾	5	28	June 1	5.15
Gatineau Power S.F. Debs. 6's due '41	101½	6	13	June 5	5.83
Hydro Electric Bond & Share Corp. Coll. Trust S.F. 5's due '47	96½	5	19	May 1	5.24
Manitoba Power 1st S.F. 5½'s due '51	102½	5½	23	July 1	5.30
Massey-Harris Co. 1st Mtge. 5's due '47	98½	5	19	Apr. 15	5.12
Mtl. Coke & Mfg. 1st S.F. Series A 5½'s due '47	102	5½	19	June 1	5.33
Mtl. Light Heat & Power Cons. 1st Ref. & Coll. Trust 5's Series A, due '51	101¾	5	23	Apr. 1	4.87
Mtl. Tramways 1st Coll. Tr. 5's Series "A" due '41	100¼	5	13	July 1	5.00
Mtl. Tramways Gen. & Ref. 5's Series "A" due '55	99	5	27	Apr. 1	5.07
Nova Scotia Steel & Coal 1st S.F. 5's due '59	76	5	21	July 1	...
Northwestern Utilities 1st S.F. 7's due '38	104½	7	10	June 1	6.37
Port Alfred Pulp & Paper 1st S.F. 5½'s due '57	98	5½	19	May 1	5.68
Price Bros. 1st S.F. Series "A" due '43	106	6	15	Feb. 1	5.41
Quebec Power Co., 1st Mtge., Coll. S.F. 5's, due '68	99	5	40	June 1	5.06
Shawinigan Water & Power Co. 1st Mtge. Coll. S.F. 4½'s, due '68	95½	4½	40	June 1	4.75
Southern Can. Power 1st 5's Series A, due '55	101¼	5	27	Apr. 1	4.93
United Grain Growers 1st Mtge. 5's due '48	97	5	20	July 2	5.25
United Securities Coll. Trust S.F. 5½'s Series A, due '52	102	5½	24	May 1	5.35
Wayagamack Pulp & Paper 1st S.F. 6s due '51	103	6	23	July 1	5.76
Winnipeg Electric Ref. 6's due '54	104½	6	26	Apr. 1	5.70

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OIL INVESTMENT TRUST TURNS OUT INITIAL REPORT

Diversified Standard Securities Makes Good Initial Profits

From Our Own Correspondent

MONTREAL.—The annual report of the Diversified Standard Securities covering the first 18 months of its operations, shows that the 8 per cent. preferred dividends were earned by a wide margin. In the income account of the company, both dividends and interest are included with the profits obtained through the sale of some of the company's capital assets namely, its holdings of securities. Profits on the sale of securities can not always be depended on to produce annual revenues.

From the balance sheet and income account it is not possible to make many deductions as during its initial period of operations the company was steadily expanding and increasing the amount of stock which it had outstanding. However, in his report to the shareholders, F. J. Fairhall, the president says:

"The company was organized in May, 1927, but did not commence business until the latter part of July of the same year. Commencing without resources the company had, as at 30th November, 1928, a subscribed capital of $1,569,002.50, all of which was fully paid up. The average capital invested during the period was $520,531.00, and on this amount the gross profit was $215,838.70, or equivalent to 41 per cent., which is equal to over five times the preferred dividend requirements."

Income Account

The income account figures of the company for the fiscal period follow:

	May 4, 1927 to May 30, 1928
Dividends, profits on securities sold, and interest	$215,838
Written off, int. on pats., and oper. expenses	64,683
	$151,155
Tax reserve	12,652
Preferred dividends	36,621
P. & L. balance	101,882

The balance sheet shows total current assets at $1,424,600. In this figure is included $778,058 in securities of the Standard Oil Company and its subsidiaries, at cost or market value, whichever is the lower. Cash, call loans and dividends receivable make up the remainder of the corporation's current assets. Intangible assets total $258,000 making up total assets of $1,683,622.

Stock Outstanding

Against the company's current assets of $1,424,600, in the liabilities appears preferred stock outstanding to the extent of $1,000,000. The common shares and the founder's common shares are carried at a total of $569,002.

Offsetting the company's intangible assets such as the franchises, organization expenses and underwriting expenses, there appears in the liabilities the profit and loss balance shown in the foregoing income account figures and the reserve for Dominion income tax also shown in the foregoing figures.

The president's remarks explain the large proportion of cash and call loans among the assets. He states that a large portion of the company's assets were liquidated during November, prior to the substantial market decline which took place at the end of November and the beginning of December. The proceeds of these sales are now being reinvested at prices considerably below those realized by the company at that time.

Net earnings were equal to over $2.16 a share on the 47,081 shares of ordinary common stock outstanding, and over $1 a share on the total common including founders stock. On the average amount of stock outstanding throughout the period, however, earnings on the common are considerably higher.

The foregoing figures, though, are hardly significant, for they include profits on the sales of securities.

MASSEY-HARRIS ANNUAL REPORT WILL BE DELAYED

Company Gets Cash From Debts Written Off Years Ago

Massey-Harris Co. annual report, which normally is available to the public about February 1, probably will not be released until Thomas Bradshaw, vice-president and general manager, returns to Toronto. Mr. Bradshaw is now on his way from Australia. He is expected to stop at a number of the sales branches of the company between Vancouver and Toronto. The final figures, it is understood, have been forwarded to Vancouver for Mr. Bradshaw's perusal on his way eastward.

No one seems to know, or will admit knowledge, of the figures which will appear. But there are shrewd guesses that the earnings per share on the common will be not less than $6 after the usual liberal write-offs for depreciation and other reserves.

Old Debts Are Paid

It is said that the Massey-Harris plants are more active at present than at any previous time in their history. Sales prospects throughout the world are excellent in all branches of the company's business. Tractor sales in the United States are especially gratifying. The company shortly will introduce a Wallis tractor of the Fordson type.

Striking evidence of the prosperity of the prairie farmer is the number of old debts due Massey-Harris which have been paid in whole or in part in the last year. Some of these assets had been written off by Massey-Harris and reserves had been set up against what looked like probable losses in many other instances. The total of the debts which had been classified as bad in the years when the West was having a hard time is a substantial sum. The amount recovered so far indicates that a goodly proportion of the reserve set up was not necessary.

Canadian Pacific Builds Oil Burning Locomotives

From Our Own Correspondent

MONTREAL.—The C.P.R. has placed orders with the Montreal Locomotive Works for 20 oil burning locomotives for use in the Rocky Mountain Division of the railroad. Each of the new engines is expected to do the work of two or more of the lighter locomotives.

The new engines, technically known as the 2-10-4 type, that is, two wheels on the leading truck, ten 63-inch drivers and 4 wheels on the truck, are the greatest ever constructed or operated in the British Empire. The new engines have been conceived, experimented with and designed by the motive power department of the C.P.R., and will be built entirely in Canada.

Soon Will Offer Fourth C. G. Trust

Canadian General Securities is expected to announce shortly an issue of stock in the Fourth Canadian General Investment Trust. The fourth trust will be organized along lines similar to the second, it is understood, and the management will be in the hands of Canadian General Securities under the supervision of a board of directors which includes a number of names prominent in the financial world.

Charter for the Fourth Canadian General Investment Trust was obtained at Ottawa about a year ago. The third trust was floated entirely in England. The stock of the second trust, it is reported, has all been sold.

CAN. WINERIES OUTLOOK BETTER IT IS REPORTED

December Sales Considerably Higher Than Same Month in 1927

While no complete statement of the financial condition of Canadian Wineries will be available until some time next June, covering the period from the inception of the company to April 30, 1929, it is expected that a tentative statement will be issued.

This statement, which is to cover the twelve months ended December 31 last, it is believed, will show a better condition than that of the company's statement issued June 30 last. Figures just available for December sales show an increase of 34,500 gallons over the total for a corresponding period of 1927.

Quebec Consumption Grows

The removal of the Ontario Government luxury tax of 20 cents per gallon is expected to be of considerable benefit to the company, as it is the expressed intention of government authorities in those provinces under liquor control laws to further the consumption of wines as beverages in preference to spirits. In Quebec, the consumption has increased nearly 800,000 gallons in four years as a result of this policy.

Canadian Wineries, Limited, had a distinctly low point in their affairs about six or seven months ago, but much of that condition could be ascribed to be the reorganization and co-ordination of the various units constituting the company. A general optimistic tone prevails in the information available and the constant improvement indicated since that date is expected to hold.

NATIONAL TRUST PROFIT FOR YEAR TOTALS $527,949

Total Assets Top $200,000,000 for First Time in Company's History

National Trust Co. again reports the largest earnings in its history. The total is $527,949 for 1928, compared with $504,409 in 1927 and $402,647 in 1926. After provision for Dominion taxes of $75,510, the earnings available for distribution to shareholders, reserves, etc., total $451,439 in 1928, compared with $434,445 in 1927, or 15 per cent. in 1928, compared with 14.4 per cent. in the previous year. For the second time, an extra dividend of one per cent. was paid, making the dividends 13 per cent. for the year.

Total assets have grown from $181,383,867 to $202,141,701. Each department shows an increase. The capital account is up from $6,259,085 to $6,293,033. Guaranteed trust account is up from $14,408,520 to $17,744,093. Estates, trusts and agency accounts are increased from $160,716,261 to $178,104,574.

Foreclosures are Fewer

Real estate held for sale under foreclosure is substantially reduced, from $301,065 to $147,710. There is an increase in the mortgages outstanding, from $9,234,346 to $11,663,560 in one account and from $2,916,883 to $3,150,226 in another.

There is no change in the capital or the reserve fund, each remaining at $3,000,000.

It should be noted that, in the second of the subjoined tables, the earnings are given after deducting the reserves for taxation. This is done in order to show the total of profits available for distribution to the shareholders.

Distribution of Earnings

	1928 $	1927 $	1926 $
Earnings	527,949	504,409	402,647
Taxes	76,510	69,964	63,022
	451,439	434,445	339,625
Dividends	360,000	351,341	270,000
Bonus	30,000	30,000	......
Ins. reserve	......	......	50,000
Reserve	......	187,500	......
Balance	61,439	*134,396	19,625
Prev. balance	52,495	186,891	167,266
P. & L. bal.	113,934	52,495	186,891

* Debit.

Year	Paid-up Capital	xProfits	Earned p.c.	Div. Rate
1918	1,500,000	239,784	15.9	10
1919	1,500,000	247,440	16.4	10
1920	2,000,000	234,025	11.7	11
1921	2,000,000	276,865	13.8	12
1922	2,000,000	276,598	13.8	12
1923	2,000,000	286,660	14.3	12
1924	2,250,000	*296,493	13.1	12
1925	2,250,000	315,620	14.0	12
1926	2,250,000	339,625	15.0	12
1927	3,000,000	434,445	14.4	12+1
1928	3,000,000	451,439	15.0	12+1

* Includes $109,386 paid for remodeling head office premises.
x Less taxes.

Railways Still Placing More Equipment Orders

From Our Own Correspondent

MONTREAL.—The demand for railway equipment is being maintained in a spectacular fashion. Between December 16 and January 15 inclusive, the Canadian Pacific Railway placed the following orders: 6 all steel ore cars, National Steel Car Company; 5 flat cars, Angus Shops, C.P.R.; 500 steel box cars, Eastern Car Company; 2,300 steel box cars, National Steel Car Company; 2,200 steel box cars and 15 Hart ballast cars, Canadian Car & Foundry.

DOMINION LINENS HOLDERS ADVISED TO REFUSE OFFER

Advertisement Hints Investment Position of Company Improved

Advertisements have appeared in newspapers within the last few days advising shareholders of Dominion Linens that "certain parties are endeavoring to obtain control of this company by asking shareholders for options on their capital stock, or by offering to pay a low price provided they can secure 51 per cent."

"We advise shareholders," continues the advertisement, "not to give options or sell their stock until they receive the financial statement for 1928, which will shortly be in the hands of the printer."

No names are attached to this advertisement except that of the company. It is stated that it has been found necessary to make a change in the general management and that the company is looking forward with confidence to improved conditions. The advertisement concludes with the statement that 30 weavers are wanted.

Dominion Linens was a profitable company during the war but the rank and file of shareholders, it is believed, had heard little or nothing of it for three or four years. The advertisement apparently hints that a change for the better has taken place in the position of the company.

VICTORIA TRUST PAYS EXTRA DIVIDEND

Lindsay Company Reports Best Year; Reserve Increased

Victoria Trust & Savings Co., Lindsay, Ont., earned $130,347 in the year 1928 after provision for taxes, which is 16.1 per cent. on the capital of $800,000. In the previous year the earnings were $124,921, or 15.6 per cent. This company has increased its earnings every year since 1922 and has maintained a dividend of 9 per cent.; an extra, making 10 per cent. in all, was paid for 1928.

Every department of the business shows growth. Capital account now stands at $1,557,375, compared with $1,510,538 a year ago. Guaranteed investment receipts and deposits have grown from $4,931,549 to $5,694,421. Investments held in trust for estates total $277,241, compared with $148,424 a year ago.

Office premises have been written down $2,000 to $28,024. Capital reserve has been brought up to $700,000 from $650,000. Real estate on hand, other than premises, shows a reduction from $47,801 to $43,703.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	*Profits	Earned %	Div.
1922	$742,085	$101,810	13.7	9
1923	800,000	82,683	13.7	9
1924	800,000	97,308	12.1	9
1925	800,000	105,015	13.1	9
1926	800,000	110,431	13.8	9
1927	800,000	124,921	15.6	9
1928	800,000	130,347	16.1	9+1

* Reserve for Federal taxes, and amount written off premises deducted.

Pulp and Paper Officials Are Having Busy Week

From Our Own Correspondent

MONTREAL.—The current week has been busy for pulp and paper officials. The 16th annual meeting of the Canadian Pulp & Paper Association really commenced on January 21, with a meeting of the board of directors of the Canadian Pulp & Paper Research Corporation. On the following day a conference on cellulose chemistry was held at the Pulp and Paper Institute. On January 23 took place the opening technical section meeting and the business meeting of the woodlands section of the association.

The annual meeting of the book and writing section took place on January 23, to be followed on the ensuing day by the continuance of the meetings of the woodlands and technical sections, and the annual meeting of the Newsprint service Bureau.

On January 25, the annual meeting of the association itself takes place, to be followed by the formal opening of the Research Institute by His Excellency the Governor-General. A luncheon and the annual dinner later in the day will conclude the annual meeting. A full report of the proceedings will appear in the next issue of The Financial Post.

Imperial Bank of Canada Opens East York Branch

The Imperial Bank of Canada has opened a branch at Pape and Sammon Avenues, just outside of Toronto in East York. B. B. Vale has been appointed manager of the new bank, and his temporary offices are at 893 Pape Avenue. These are to serve until a suitable building can be erected on the recently-purchased site.

DRYDEN WILL EARN INTEREST 5 TIMES

Present Profits Indicate Substantial Surplus After New Bond Interest

From Our Own Correspondent

MONTREAL.—On the completion of the new financing recently authorized by a special general meeting of the shareholders of Dryden Paper Company, the company will be in a strong liquid position. It is understood that Nesbitt, Thomson & Co., Limited, will shortly offer $1,500,000 first mortgage, sinking fund bonds. After the payment of the presently outstanding debentures, notes and bank loans, the new bond and common stock financing will leave the company with $200,000 in cash on hand.

The fixed charges of the new company will amount to $90,000.00 annually. This figure compares with net earnings available for bond interest for the fiscal year ending September 30, 1928, of $325,706, which is equal to over three and one half times bond interest requirements.

On the earning basis experienced during the last three months net earnings during the current fiscal year should amount to $450,000.00, which is equal to five times bond interest requirements.

These figures indicate that the company is making steady progress, and on completion of present financing it will be in a sound position.

Muskrat ranchers of Manitoba have been organized under the name of the Manitoba Muskrat Breeders Association, marking the consummation of plans that have been under way for some time.

National Grocers Co. Runs Two Sloan Branches

National Grocers Co. announces that it will continue to operate John Sloan & Co. warehouses at Kitchener and Belleville but that the Peterboro and Toronto operations eventually will be merged into branches of National Grocers at those places.

National Grocers recently bought the Sloan company's stock of groceries, office and warehouse fixtures at Toronto, Kitchener, Peterboro and Belleville. The deal is reported to have involved about $250,000.

Seagram's Employees Offered Stock at $18

Distillers Seagrams Corp. has purchased a block of stock in the open market which it offers to its employees on time-payments at $18 per share. The plan does not mean any increase in issued capital.

Business with Distillers-Seagrams is said to be well up to the expectations of the management and it is understood that an increase in domestic business of 25 per cent. was made by the Seagram unit in the past quarter. The stock is selling at 18½-19 at present and many regard it as a good buy for a hold.

Inter. Proprietaries Builds U.S. Plant

International Proprietaries will occupy its new plant in Buffalo in March or April of this year. The plant is intended to cake care of the growing United States business of the company.

Net earnings of the company for 1928 were considerably in excess of the $825,000 estimated at the time of the issuance of the Class A stock last May.

BARCLAY STATEMENT SHOWS HUGE ASSETS

Resources Total Near Two Billion Mark at End of 1928

"Deposits in Barclay's Bank have increased to £335,081,222 as against £318,373,471 a year ago, and total resources are now £386,000,000," F. C. Goodenough, chairman of the board, stated at the annual meeting of shareholders held recently in London. "The turnover of the bank, as calculated by total debits passed to accounts of customers shows appreciable increase over the figure of the previous year, which to that time was itself a record."

In speaking of the application to be made by Barclay's Bank for a Canadian charter, Mr. Goodenough mentioned the possible opening of branches in one or two centres in Canada in addition to the head office in Montreal. It is anticipated that the entry of Barclay's Bank in the Canadian field will be of special importance to Barclay's Bank (Dominion, Colonial and Overseas) as it will link the West Indian business of the bank more directly with Canada. The new bank will also provide facilities for Canadian trade with Great Britain and other places abroad where the bank is established, and assist in developments in the Dominion.

Saint John Dry Dock Busy

The Saint John Dry Dock Company looks forward to increased prosperity this year, with unfilled contracts on its books totalling $1,500,000. The company's structural steel department, opened last February, has added 100 per cent. increase to the number of workmen employed and doubled the weekly payroll.

An Announcement *of*

The Financial Post Corporation Service

EVERY day something happens to one or other of the 1,500 Canadian corporations in which there is investment interest. Those who invest on a large scale on behalf of clients, as institutions or for their own account, must watch day in and day out if they are to keep in touch with the "Papers," the "Oils," the "Mines," and all other Canadian investment stocks.

Until now, investment houses and institutional investors have found it necessary to maintain their own files on the companies in which they are interested, in order to keep abreast of Canadian corporation movements.

As a solution to this problem, The Financial Post announces a Corporation Service which will record and analyse the history and current position of Canadian corporations. The service will consist of cumulative index cards which will be kept actively up-to-date and which will give the individual story of each company. The cards will contain an exhaustive analysis of everything pertinent to the company in the way of statistical or investment information.

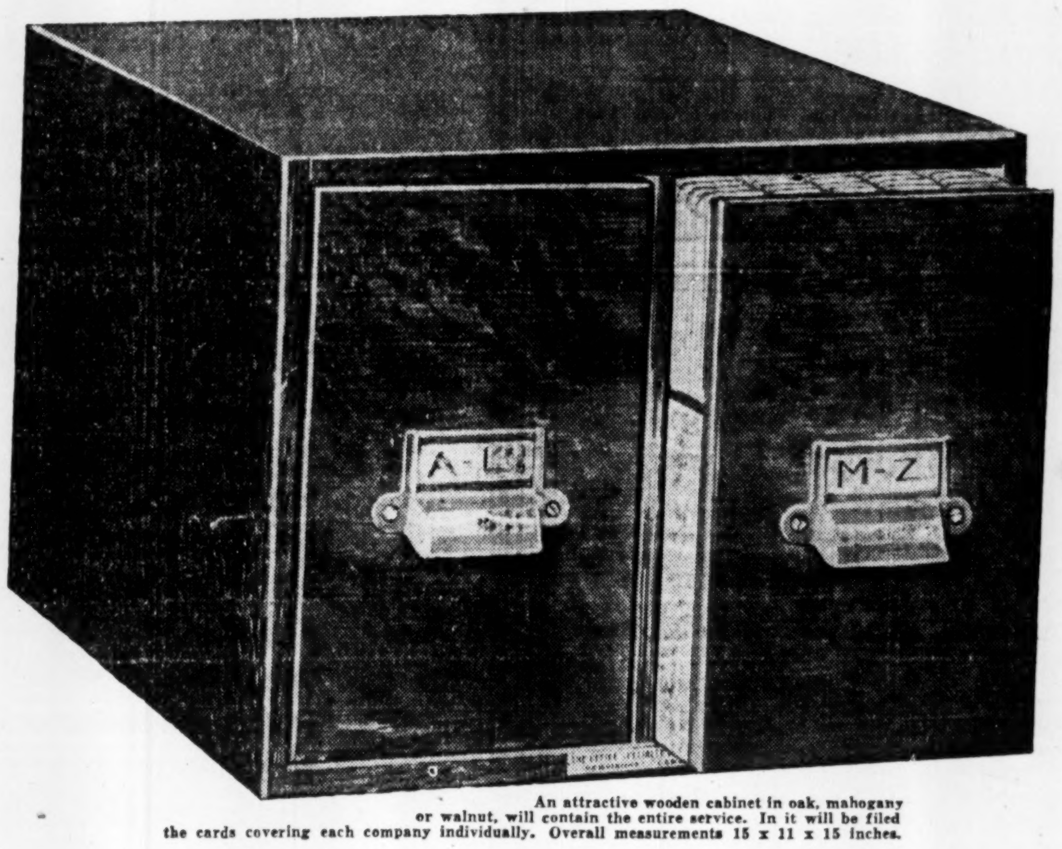
THE service will take the form of a cumulative card index system which will be brought actively up-to-date every few days. The entire service will be contained in an attractive two-drawer cabinet, and will be alphabetically self-indexed.

The cards will treat each company individually, and will contain two elements: news and history. For the majority of companies this information will be recorded on two separate cards.

On one card, for instance, will be recorded current news items, which in itself is a vital service to investing houses and institutions.

On the other card (which may be a folder or booklet, depending on the size of the company) will be found the story of the company's corporate history including a seven-year analysis of the company's earnings and position.

The service will be sold on a monthly basis, and a small initial fee will be charged to cover the cost of the cabinet and installation.



An attractive wooden cabinet in oak, mahogany or walnut, will contain the entire service. In it will be filed the cards covering each company individually. Overall measurements 15 x 11 x 15 inches.

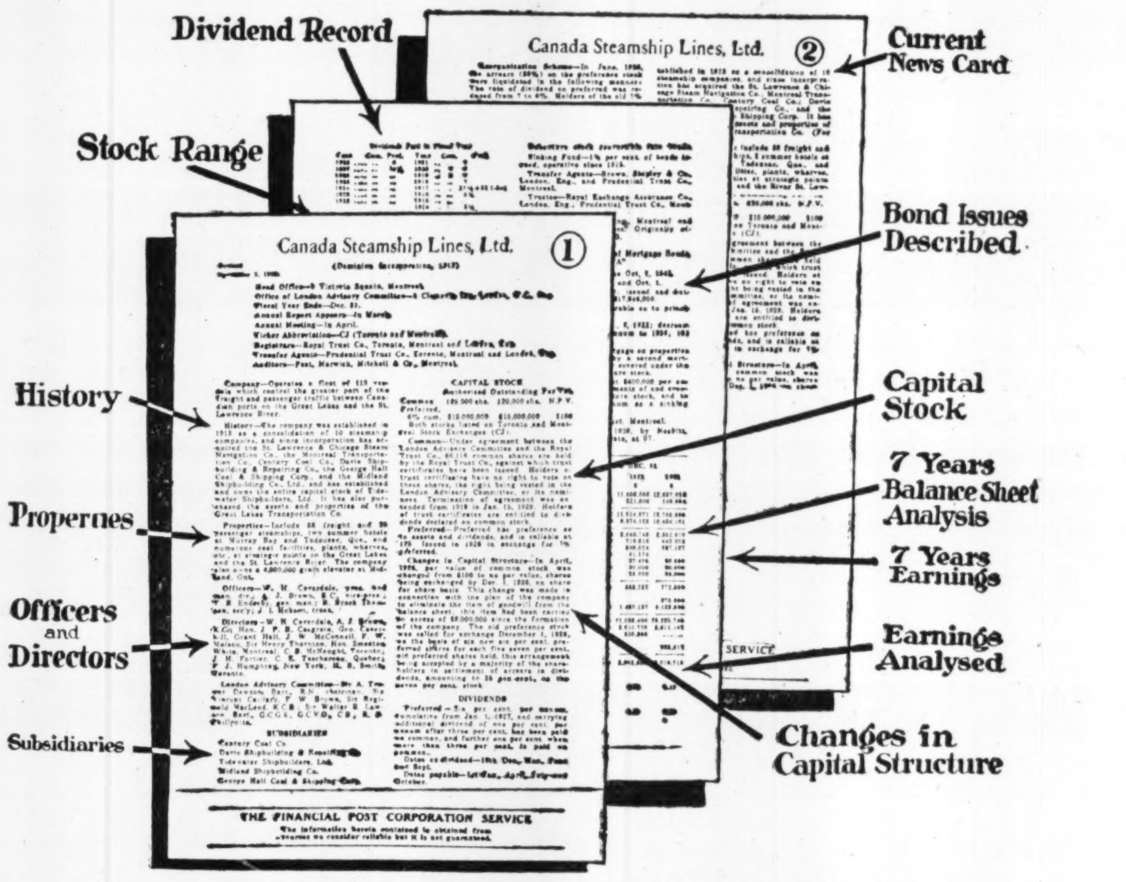
THE Financial Post Corporation Service will offer the most complete coverage of the Canadian corporation field that has as yet been attempted. Not only will current news items be duly recorded within a few days of their publication, but on the main card which covers the company's history, there will be found, in detail, information touching every phase of the company's business.

No matter how small the company, or how complicated its position, the analysis will present a clear, concise story from the investment point of view. When complete, the service will cover over 1,500 individual companies.

Of necessity the service will not cover every Canadian company immediately. During the month of December, however, cards covering the bulk of Canadian industrial and utility companies will be available, and thereafter additions will be made every week until the entire service is in operation. When completed this will include all the Canadian companies in which there is any investment interest under the following headings:

- Industrials
- Mines (those listed on Canadian exchanges)
- Public Utilities
- Trust and Loan Companies
- Banks
- Railways
- Insurance Companies
- Real Estate Bonds
- Investment Companies

Its Value to Financial Institutions is Unquestionable



These are The Financial Post Corporation Service cards which tell the individual story of each company. The first card or folder will give a complete analysis and record of the company's history; the second card will contain an active news service covering the company's current operations and activities. Two pages of the Canada Steamships' record cards are shown. Actually there are three pages of facts and statistics on this card.

PRIMARILY The Financial Post Corporation Service is designed to serve the needs of investment and brokerage houses in Canada and the United States. For admittedly there is at the present time no service of this nature which adequately covers the Canadian corporation field. The Financial Post Service will cover the field in a thorough and accurate manner, and in a form which can be used as readily by the executive as by the statistician.

The Financial Post Corporation Service will be an invaluable addition to the files and records of any large corporation which is continually faced with the problem of investing its own funds. It offers an economical and ideal solution of the problem of keeping in touch with the affairs of corporations, by providing reliable information in accessible yet permanent form.

Service Complete on a Monthly Basis

A monthly charge is made for the complete service including all current cards.

Cabinets, complete with index cards, will be supplied in oak, walnut or mahogany finish at the cost price.

A discount will be allowed for orders of five or more services.

Installations are now being made.

THE FINANCIAL CORPORATION SERVICE
143 University Avenue, Toronto.

Please send us full particulars as to your service, and sample cards.

Name ....

Address ....

City ....

GERMAN-AFRICAN TREATY ATTACKED BY U.K. INDUSTRY

Is Considered Blow at Imperial Preference Scheme

From Our London Office

LONDON, ENG.—British industrialists are frankly alarmed by the proposed trade treaty between South Africa and Germany. This treaty would concede to Germany the benefit of all future preferences granted by South Africa to any country including British countries.

At a time when inter-Imperial trade is finding increased favor in the various parts of the Empire, it seems rather strange that South Africa should be considering this special treaty with Germany.

There has probably been less interest in Great Britain than any other part of the Empire in some form of Imperial preference. This action of South Africa may spur the British on to some action.

It is true Great Britain is spending a million pounds on creating voluntary preferences, but it has fought shy of any broad plan in which the tariff was involved.

Views of Industry

The Federation of British Industries has issued a statement on the treaty and this statement may be taken as presenting the view of British industrialists. The statement says:

"The Federation do not question the right of South Africa, as a self-governing member of the British Commonwealth of Nations, to adopt any policy which it considers desirable in its own interests. The Federation would, however, point out that grave concern is felt in Great Britain at the terms of the proposed treaty, which will result in a foreign country receiving equally with Great Britain the benefit of all tariff preferences which may be granted in the future. The effect of such a departure in policy on the part of the Union Government is deeply preoccupying British business opinion, and it is feared that the results will be seriously to prejudice trade between Great Britain and South Africa in both directions.

Most Important Customer

"The Federation would point out that the United Kingdom is overwhelmingly the most important customer of South Africa, purchasing as it did in 1927 48 million pounds worth of South African products, as compared with 18 million pounds worth purchased by all foreign countries combined. While, as stated above, Great Britain imported 48 million pounds worth of goods from South Africa in the year in question, the Union imported 32 million pounds worth of British goods, leaving a balance of trade in favor of South Africa of sixteen millions sterling. In the case of Germany, which is the country to receive the benefits of the proposed treaty, the exportation of South African goods to Germany was only slightly over four million pounds, whereas the importation of German goods into South Africa exceeded that amount by half a million, thus showing an unfavorable trade balance for South Africa.

Now Obtains Benefits

"The Federation readily recognize the value of the preferences granted by South Africa to U. K. goods. On the other hand they would point out that South Africa receives, at present, very substantial counter benefits from Great Britain.

"In the first place Great Britain granted to South Africa in actual preferences alone in 1927, approximately half the value of the preferences received by her. In this connection it is interesting to recall that at the last Imperial Conference Mr. Havenga stated that he was the bearer of a special message of appreciation from the Fruit Growers of South Africa, who were reaping the full advantage of the free admission of their dried fruits into England, which is a proof of the appreciation felt in South Africa at the policy at present being pursued by the British Government.

Work of Marketing Board

"In the second place the British taxpayer is at present providing one million sterling per annum for the work of the Empire Marketing Board, for the purpose of stimulating the marketing and sale of Empire Products, a work which is undoubtedly greatly assisting the South African producer. The Federation has yet to learn that any other government is taking similar action for the furtherance of South African exports.

"Thirdly, capital has been needed and will be needed for the economic development of the Union, and the provision of such capital from British sources has been facilitated and rendered cheaper for South Africa by the operations of the Colonial Stock Act of 1900. According to the last official return, existing loans under this act amount to over £100,000,000 sterling—a substantial contribution towards the development of South African resources.

Britain Pays for Defence

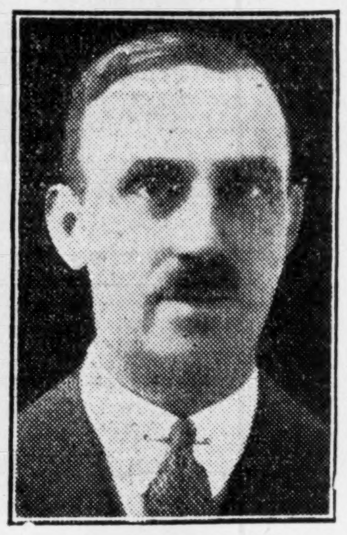
"Finally the Federation cannot refrain from pointing out that the British taxpayer is called upon to provide for the bulk of the cost of the Imperial Services, which are necessary for the conduct and defence of the Empire as a whole. To take only one example the U. K. pays £58 million per annum for the upkeep of the Navy, which is necessary to safeguard the communications of every part of the Empire with the outside world, and to ensure free access to and from their markets.

"The Federation trust that these points will be given the consideration they deserve before a line of policy is definitely adopted, which would be extremely harmful to British trade interests, with an inevitable repercussion upon the power of this country to absorb South African products.

"In view of the mutual interest in a flourishing reciprocal trade between Great Britain and South Africa the gravity of any step tending to weaken the commercial bonds between the two countries cannot be over-estimated.

Brokerage House Announces Changes

R. B. BUCHANAN



G. G. BLACKSTOCK

R. O. M. TURNER

G. G. Blackstock, of the firm of G. G. Blackstock & Co., has been elected a member of the Toronto Stock Exchange. R. B. Buchanan, formerly of the firm of Buchanan & Seagram, has become associated with the firm. R. O. Mackay Turner, formerly of the National City Company, has also become a partner. W. R. Thomson is the fourth partner.

CANADIAN GENERAL

Shares of Canadian General Investment Trust (the first trust) will be called for trading within a few days on the Toronto stock exchange. The shares already are listed on the Montreal Curb. There is a bid of 106 but no trades so far. The company began to function in 1927. It has paid 6 per cent. dividends and has realized and unrealized profits of $1,250,000. The authorized capital is $10,000,000 and it is understood that it all has been issued. There are more than 400 securities on the investment list. These are seasoned investments, it is said, in the Canadian, British and United States fields.

Reports from The Pas are to the effect that Ventures Limited, have renewed their option on the Oak claims at Cross Lake and a gang of men are now going in to prepare the ground for diamond drilling. The reports say that O. D. Klutz, F. W. Quinsey and Sheriff Hilton, vendors, are reported to have received some cash.

Nation's Commerce

Activities of Canadian Chambers of Commerce from Coast to Coast

From Our Own Correspondent

MONTREAL.—The National Executive of the Canadian Chamber of Commerce held the first session of its 1929 convention on January 22, in the Hamilton Chamber of Commerce. W. M. Birks, president of the Canadian Chamber, was in the chair. Discussion took place as to the proposed formation of a Canadian Fire Waste Council to develop a means of combating the tremendous yearly loss of life and property through fire. The policy of the council would be prevention of this fire loss, and its work would be carried out through the local Boards of Trade and Chambers of Commerce throughout Canada.

* * *

The following suggestions were endorsed at this first meeting of the National Executives. 1. That the Canadian Chamber of Commerce set up what would be called a Fire Waste Council consisting of the Canadian Joint Fire Prevention committee and representatives of such other organizations as the Fire Underwriters' Association, the Canadian Engineering Institute, the Boy Scout Association, the Canadian Forestry Association and Industrial and Scientific Research councils. 2. That each local body be asked to create its own fire prevention committee from members of its own and other organizations. 3. That a Fire Waste contest, between Boards of Trade and Chambers of Commerce, be conducted every year as an aid to stimulating public support.

* * *

Those present at the meeting were: W. M. Birks, president of the Canadian Chamber of Commerce; J. W. Ross, Montreal; T. S. Dixon, Vancouver; Brig.-Gen. Mitchell, Toronto; C. W. Rowley, Toronto; Col. McGregor, Windsor; J. J. A. Larue, Montreal; W. McL. Clarke, Montreal, secretary of the Canadian Chamber of Commerce; S. B. Gundy, Toronto; J. A. Tory, Toronto; W. E. Payne, Vancouver; J. S. Royer, Quebec, and A. O. Dawson, Montreal.

* * *

The business committee of the Canadian Chamber of Commerce recently held an informal conference with G. W. Allan, K.C. Mr. Allan is chairman of the Canadian Committee of the Hudson's Bay Company, president of the Great West Life Assurance Company, and chairman of the Canadian Chamber of Commerce's National Committee on Immigration. J. Hunter, secretary-treasurer of James Richardson and Sons, Winnipeg, was also present. Mr. Hunter is the Manitoba representative of the National Committee on Aviation.

Wendell Clarke, secretary of the Canadian Chamber of Commerce addressed the Hamilton Advertising Club on January 21. The subject of his address was "The Customer Advertises."

* * *

W. M. Birks, president of the Canadian Chamber of Commerce and Wendell Clarke, secretary of the Chamber will visit and address various Boards and Chambers in Western Ontario. Following is their itinerary: Jan. 23, St. Thomas and London; Jan. 24, Galt and Woodstock; Jan. 25, Welland and Niagara Falls.

* * *

A booklet which should prove valuable and interesting to secretaries and members of Boards and Chambers of Commerce has been prepared by the Canadian Chamber of Commerce. The publication contains a programme of activities, setting forth the work and maintenance of such a body from time of its organization.

CANADA VINEGARS

Canada Vinegars has acquired its twelfth plant with the purchase of the Pioneer Vinegar Co., of Edmonton.

Tape Readings

MINIMUM COMMISSIONS

One of the largest new York wire houses has notified its clients that its minimum commission from February 1 will be $5 on all transactions except in the purchase or sale of rights or the partial execution of round-lot orders. The effective date is deferred in order that clients who do not like the new rule may withdraw their accounts or sell.

The same house likewise is boosting its margin requirements to 35 per cent. of the market price on most stocks selling over 40, to 40 per cent. on a number of others, including Nickel and General Motors, and to 50 per cent. on a list which includes the airplane stocks, Radio, Montgomery Ward and Yellow Cab.

COCKSHUTT PLOW

Magpie, the racy commentator on the markets in the Stock Exchange Gazette (London) says that he sold his Cockshutt Plow at 45½ in the belief that it was then above its intrinsic worth. "But I know of others," he says, "who are holding on for more in the half belief that practically every Canadian (stock) can be bought for higher prices yet." London has heard the rumor that Cockshutt may merge with another agricultural implement company. The usual denials may be expected from Brantford.

LOBLAW

Announcement is expected within two weeks as to rights on Loblaw stock and a split in the common shares.

MOORE CORP.

Shares in the Moore Corp. are now ready for delivery. These shares are being issued in exchange for the preferred and common shares of Pacific-Burt Co., American Sales Book and Gilman Fanfold, the three constituent companies recently brought into the new Moore Corp. It has been denied that F. N. Burt will be included in the Moore Corp. There has been some good buying of F. N. Burt recently and this probably gave rise to the report that it also would come under the control of the holding company.

DULUTH-SUPERIOR

Directors of Duluth-Superior Traction are meeting in Duluth this week. The reports they will hear will not be rosy. The open winter has kept the motor cars running and the seasonal increase in street-car traffic normally to be expected has not been forthcoming.

Another record year for Continental Life

The year 1928 was the most successful in the history of our company, and the following figures show that record gains and substantial progress has been made in all departments.

Insurance in force	$36,416,504.00
Insurance issued	9,861,594.00
Assets	6,217,162.25
Paid to policyholders and beneficiaries during 1928	525,483.84
Surplus funds (Including Capital paid-up)	550,347.51

Our liberal policy contracts include all the most modern features of protection and investment,

Complete copy of annual report mailed on request.

Continental Life
Insurance Company

Head Office
TORONTO

GEORGE B. WOODS
President

MURPHY GOLD MINES

A Mining Speculation of Unusual Merit

During the last five years I have been asked hundreds of times to name a mining stock which offered as good an opportunity for speculative profit as Teck-Hughes and Lake Shore did about 1921.

After considering the comparative conditions surrounding the early development of these properties, and having due regard for the hazards of mining, I now make the unqualified statement that the Murphy Gold Mine has reached a stage of development where evident results so far achieved give ALMOST complete assurance of success in attaining profitable production.

The geology and structure are ideal for deposition of gold in ore bodies of large dimensions. Prospecting by shaft and several diamond drill holes has disclosed widths up to 24 ft. of $8.75 ore at depths varying from surface to 600 ft. over a total length of 580 ft.

These disclosures maintain evident relation to each other along the structure, thereby giving evidence of continuity in both depth and length. The previous history of other similar Kirkland Lake ore bodies, as related to the geological conditions on Murphy, amply justifies the reasonable expectation of greater enrichment at depth.

Therefore, I feel the Murphy property has all the essentials necessary to warrant me **in saying it looks like a large** gold mine in the making, and contains all the possibilities of duplicating the performance of those previously referred to properties which have proven so profitable to their shareholders.

Remember that I do not claim that Murphy is now a mine. If that were already proven, much of the present opportunity would already have gone. The price of the stock would be two or three times what it now is. Furthermore, I am bound to point out that there are still hazards in this enterprise.

In plain words I want any one who buys the stock to do so with the knowledge that it is a mining speculation, but that I believe it to be a sound one, where the property is large enough to contain a great mine; where the necessary development expenditure is already provided for and being made in an efficient and intelligent manner, and where the results to date are satisfactory, having disclosed ore at each point opened.

Situated on the Nipissing Central Railway ten miles east of Kirkland Lake, with a station less than 1,000 ft. from the main shaft and electric power delivered on the property, Murphy is equipped with a 12-drill compressor and 2,000 ft. capacity hoist, capable of opening the property at a rapid rate and feeding a 200-ton mill.

Draper Dobie

The shares are dealt in on the Standard Stock and Mining Exchange, Toronto. In the next issue an advertisement will appear in this paper, giving the plain facts regarding development results on MURPHY MINES.

DRAPER DOBIE & CO.
LIMITED
Northern Ontario Building, Toronto 2. AD. 9171

Canada's Fighting Airmen!

First:

BISHOP

The Allies' Greatest Ace

VARIOUS publications in other countries have been presenting for the benefit of the post-war generation the stories of national heroes of the Great War

Until MacLean's, some months ago, commenced publication of a series of articles devoted to the deeds of those Canadians who in the war won the Victoria Cross, little or no attempt had been made to present to young Canada an adequate record of the achievements of their elder brothers or fathers a decade ago. And so, while the younger generation has been served by other countries' periodicals with stories of this, that or the other war hero, it has learned little about the men of its own land—little about the Bishops, the Barkers, the McLeods—airmen who stood supreme amongst the Allied aces of the war—Bishop, with his bag of seventy-two enemy planes, with his V.C. for incredible daring.

These are stories which now can be told and MacLean's Magazine is going to tell them.

For some time past, Lieutenant-Colonel George A. Drew, author of "The Truth About the War," has been gathering authentic material and official records with this new series in mind. His first article will appear in the January 15th issue. It will be the opening chapter of the story of Lieut.-Col. William Avery Bishop, V.C., D.S.O. and Bar, M.C., D.F.C., Chevalier of the Legion of Honor, Croix de Guerre with Palm, the greatest living aviator of the Great War.

Fiction

The Sun, by Louis Kaye.

The Lao Tai Dragon, by Hugh Prior.

Say, I Coulda Wept, by W. D. Stovel.

Silver Feet, by Beatrice Redpath.

To Love and to Cherish, part two of a great serial by Constance Travers Sweatman.

Features

Prosperity's Silent Prophet, by Gratton O'Leary. A biographical sketch of Sir Lomer Gouin, new Lieut.-Governor of Quebec.

They're World Champions, by Frederick B. Watt. About the Edmonton Grads Girls' Basketball Team.

Flying Frontiersmen, by Clare Ward Farrell. Penetrating the Barren Lands and finding lost mountain ranges in modern fashion.

Seven Years on Parliament Hill, by F. C. Mears. A view of Canada's legislature from the Press Gallery.

Blue Flames, by Victor Lauriston. Telling of Canada's enormous store of natural gas.

Departments

Review of Reviews—Wit, Wisdom, Whimsicality—The Home Beautiful—Business and Investments—Maybe Adam Laughed at These—In the Editor's Confidence—Women and Their Work.

Altogether, another of those issues that make MacLean's so indispensable to Canadians who march with the times.

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

January 15th
Issue

Leading All Magazines Sold in Canada
More Than 140,000 Net Paid Each Issue

10c

Now On the Front Counter of Every Newsdealer and On All Canadian Trains

WESTERN STEEL BUILDING PLANT COSTING $250,000

Sheet Metal Concern Expanding Rapidly in West

Western Steel Products will build a new plant in Winnipeg, to cost $250,000, it is reported by the Manitoba Free Press. Expansion is planned in other cities, also. Sheet-metal business of Hastings and Willoughby, in Regina, was taken over on January 2. There will be an addition to this plant. Pacific Sheet Metal Co., Vancouver, also was acquired recently and plant additions are planned for Vancouver and Victoria.

Toronto business of Western Steel Products is conducted under the name of Metallic Roofing Co. Volume of business in all districts has grown. The total for 1928 was in excess of $5,000,000, it is said, and in view of the plans made, a material increase is expected in 1929. Several important contracts have been procured.

Western Steel Products became of public investment interest in 1928 when James Richardson & Sons, Winnipeg, made offers of $1,150,000 of 6 per cent. bonds and $1,100,000 of 6½ per cent. preferred stock. There also are 100,000 shares of common outstanding.

BRITISH MORTGAGE PROFITS AT RECORD

Company Adds $115,000 to Reserve Mostly From Stock Premium

British Mortgage & Trust Corp. of Stratford, Ont., reports that business for 1928 reached a new level both in earnings and increased volume. Total profits for the year were $121,529, compared with $111,847 the previous year. In the course of 1928, the company's stock was increased from $700,000 to $800,000 by sale to shareholders at somewhat under the market level. The premium, averaging above $112 per share, enabled the company to add $115,000 to the reserve, bringing that fund to $800,000.

Investment receipts and savings increased from $4,027,815 to $4,705,989. The estates funds now total $263,752, compared with $143,377 a year ago and $8,630 in 1926, at which time the company evolved from a loan comtnpany to a trust company.

Following is the record of the company in recent years.

Year	Paid-up Capital	Profits	Rate of Earnings Earned p.c.	Div.
1915	$450,000	$54,758	12.1	8
1916	450,000	63,942	14.2	9
1917	500,000	62,984	12.5	10
1918	500,000	73,823	14.7	10
1919	500,000	82,954	16.5	12
1920	500,000	95,552	18.5	12+2
1921	500,000	70,581	14.1	12
1922	500,000	85,145	17.0	12
1923	500,000	88,854	17.7	12+2
1924	500,000	88,335	17.6	12+2
1925	568,900	92,755	18.5	12+2
1926	582,600	106,550	18.5	12+2
1927	600,000	111,847	18.6	12+2
1928	700,000	*116,529	16.6	12+2

*After deducting $5,000 written off premises.

Rapid Progress Being Made on Dom. Square Building

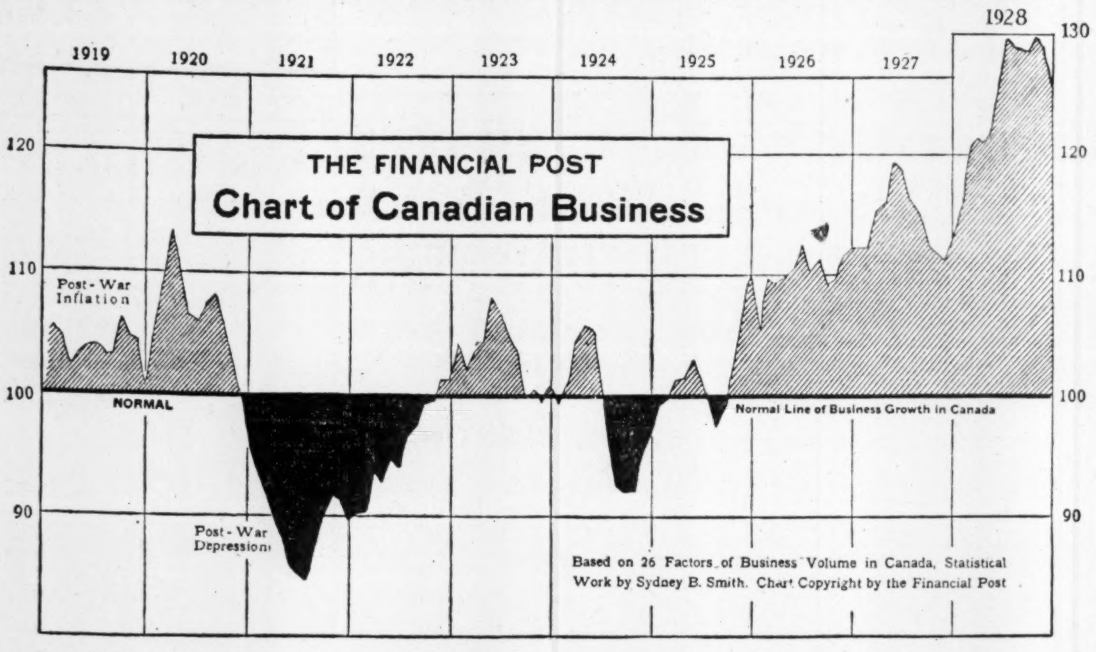
From Our Own Correspondent

MONTREAL.—Rapid progress is being made in the erection of the new Dominion Square Building which was recently financed by an issue of bonds offered publicly by the National City Company, Limited. While it will be the end of the year before the building is fully completed, yet the first portion of the structure will be ready for occupancy by July 1. This first section will include the ground, mezzanine and first office floors of the building. A large portion of each floor will be progressively made available for occupancy every ten days thereafter. By June 15 the Dominion Square Corporation's large underground garage will be in operation.

Tourist Revenue Large

The province of New Brunswick, which is noted among lovers of outdoor sports for its fishing and hunting, derived a revenue of over $15,000,000 in 1928 from tourists.

Business Chart Now Complete for Year 1928



Based on 26 Factors of Business Volume in Canada, Statistical Work by Sydney B. Smith. Chart Copyright by the Financial Post

The index of the volume of general business during 1928 averaged 6.5 per cent. higher than in 1927. If no deduction had been made for the long-term growth, the gain over 1927 would have been nearly twice as great. This showing was made through the notable gains in many of the strategic industries of the Dominion. In this class may be included the iron and steel industry, construction and the railways. The production of motor cars, rubber tires, and gasoline was at a new high level in the history of Canada. The newsprint continued the expansion in progress during the post-war period.

Most Lines of Business at Good Level Now

Expansion in Canadian Industry in 1928 Was Twice as Much as Normal Growth From Year to Year

By SYDNEY B. SMITH

A moderate recession in the volume of general business in Canada during December compared with the preceding month may or may not mean that the level recently attained is too high to be maintained until the time comes for another notable advance. The upward trend has continued since the latter part of 1924 without appreciable decline except from June to November in 1927. Commencing with December, 1927, a rapid expansion prevailed until July last. Since that time the high level was practically maintained, the only exception being the minor setback in December. The result is affected by the number of working days in the month, shut-downs for holidays, and the influenza epidemic. Disturbing factors of this nature detract from the significance which should be attached to the increase or decrease which may occur in any particular month.

Half Due to Long Term Growth

The increase in the index of the volume of general business during 1928, compared with the average for the preceding year, after making a deduction to offset the long term growth, was 6.5 per cent. Without the adjustment for the long term growth, the increase in the index was 12.4 per cent. In other words, about half of the expansion in 1928 compared with the preceding year was attributed to long term growth and, the remaining half to the intermediate fluctuation generally regarded as the business cycle. Whether the analysis into the two classes of fluctuations is regarded as necessary or not, the industrial expansion in 1928 was the most pronounced since the end of the war.

Did all of the twenty-six factors from which the index is derived share equally in the increase, or did the well known expansion in a relatively small number of the factors account for the brilliant showing of the index during 1928? For the purpose of clearing up this situation and throwing some light on the question of the long term trend, the 26 indexes were averaged by half years from the beginning of 1919 to the present time and the results set down. Let us review briefly the changes in regard to the more important factors used in this connection, especially with reference to developments during the ten years included in the period of observation and the outlook for the future.

Copper Output Increases

Commencing with the mining factors, the production of copper has been increasing steadily since the first half of 1922 when the low point of the post-war deflation was reached. While the increase was fairly steady from 1922 to 1927, outstanding advances were recorded in 1928. With the opening up of the Frood mine near Sudbury and the expansion in the production of the Noranda and other mines being developed during the last two or three years, copper production in Canada will doubtless show a rapid growth in the near future. The production of nickel suffered greatly from the post-war deflation, but a splendid comeback was staged in the latter half of 1922, and markets have been gradually developed since that time, the increase in production during 1928 being quite pronounced.

Owing to the steady market for gold, the output of the metal was well maintained throughout 1921 and 1922, when other industries were inactive. A moderate increase was shown in the trend of gold production until the last half of 1925. Since that time there has not been any important change, although in the first half of 1928 the output was greater than at any time during the period of observation. Judged by exports and receipts at the Royal Mint the production in the last half of 1928 was less than in the first half.

Silver Maintains Position

Notwithstanding the decline in the output of the Cobalt camp, the production of silver has been fairly well maintained in the last few years, the long term trend showing an upward tilt since 1920.

Zinc production was important in 1926 and 1927, while a decline was shown in 1928 when the price situation was unfavorable. Asbestos being used extensively for building purposes, the production is subject to fluctuation according to the state of business conditions. Production, aside from the recessions in 1921 and in 1924, was fairly well maintained throughout the period.

From 1924 to the first half of 1926 the coal mining industry was depressed. Since that time production has been fairly steady without an upward or downward trend.

Food Product Industries

The production of flour gained rapidly from the end of 1920 to 1924. Strong competition in external markets has kept production at a moderate level, though the output of the latter half of 1928 was greater than for some years. The sugar refining industry shows considerable fluctuation. Meltings were at a high level in 1922, 1925 and 1926, showing recession in 1927 and the first half of 1928. A heavier volume was handled in the latter part of 1928, but the over-production of raw sugar and competition in external as well as domestic markets does not hold out brilliant prospects for the future of the industry.

To provide for a growing internal market, the meat packing industry naturally handles a larger volume over a term of years, but the rate of growth from 1921 to the present was quite moderate. During the latter half of 1928 there was a falling off in inspected slaughterings, and prices declined from the high levels of the first half of the year.

Cotton Textiles Quiet

The cotton industry in Canada is subject to considerable fluctuation. Judged by the imports of raw cotton, a quiet period was experienced in the latter half of 1927 and the first half of 1928, when the majority of industries in Canada were enjoying marked expansion. The receipts of raw material in the latter part of 1928 again showed an increase exceeding previous levels, indicating better conditions for the immediate future.

The declining trend in the sale of lumber in external markets is not hard to understand, when one realizes the extent to which permanent materials such as brick, steel and cement are taking the place of wood in the construction of the larger buildings. The decline in the exports of lumber in evidence since 1922 was continued throughout 1928.

Steel Had Good Year

The production of newsprint has shown a steady increase from the beginning of 1921. The development of the forestry resources of Canada has continued at a rapid pace for eight years of the period of observation until the over-capacity of our newsprint mills has become a menace from the viewpoint of preventing sales at a profitable price.

The steel industry which is traditionally regarded as changing its position at frequent intervals from pauper to prince, passed through in 1928 the most active year in the post-war period. The production of steel in 1928 exceeded all records for the period of observation. As steel probably occupies the most strategic position of all industries in that it furnishes business enterprise with its tools and equipment, the active conditions in the industry during 1928 was especially significant.

The automobile industry is subject to fluctuation corresponding to the course of purchasing power in the market in which the cars are sold, as well as to changes in production schedules due to the introduction of new models. The trend of the production of cars in Canada was sharply upward in the post-war period and the 1928 output was greater than in any other year.

Petroleum Gains Considerably

The increase in the refining and distribution of petroleum was especially great from 1925 to the present time. The increased use of gasoline, owing to the expansion in the registration of automobiles is well known. The greater use of mechanical power on the farm has added another outlet of considerable proportions to the sale of gasoline.

The expansion in the rubber industry is one of the spectacular features of Canadian industrial progress. Judged by the imports of crude rubber, the industry has shown a rapid long-term growth with 1928 exceeding all preceding years.

The construction industry has enjoyed a rising long-term growth from the end of the war to the present time, the increase in the construction contracts awarded being considerably greater than in the value of building permits restricted to municipal areas. After correction for seasonal variation, the new business obtained by the industry was less in the last half of 1928 than in the first half.

Carloadings were at a higher level in 1928 than in any year since 1919. The long-term trend shows a moderately rising tilt from 1922 to the present time. The grain movement was unusually heavy in 1928, and the high level last year was due in large measure to this factor.

T. Eaton Co. Buys More Land for New Store

T. Eaton Co. has bought an additional property at Nos. 24 and 26 Hayter Street, Toronto, paying $175,000. The property is 51 feet front by 113 feet depth.

It is stated that the acquisition of this property will enable the Eaton company to proceed with its building plans. The new store eventually will cover the two blocks bounded by Yonge, College, Bay and Hayter Streets. The site of this project is eight or ten blocks north of the present Eaton store bounded by Yonge, Queen, Albert and James Streets.

The company has applied for a building permit for the superstructure for the new store. The value given is $4,000,000.

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BRITISH COLUMBIA SECURITIES.
VICTOR W. ODLUM
& COMPANY
303 PENDER STREET WEST
VANCOUVER, B.C.

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Stocks and Bonds *Unlisted Securities*
214 CURRY BUILDING - - WINNIPEG

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Chartered by the Act of the Dominion Parliament
THIRTY BRANCHES IN SASKATCHEWAN
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that has been selected by several Judges to act as Executor of their Wills must be a competent Executor. Such a Company is
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Let us explain our plan: How to employ small sums (17 cents per day or more) to provide a competence for the future or for the children's college education.

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Those who have investments in British Columbia, with which they are not familiar, may write to us for independent reports or valuations.
Our organization covers every section of the province.
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Vancouver Limited
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Vancouver, Canada

CPTC
"Seeing the Game Through"
There are powers which should be given in your Will to Executors and Trustees, to ensure your Estate being properly handled. To simply devise your Estate to your beneficiaries without full consideration of these and other facts, is not, in many cases, "seeing the game through" in that way which we all like to think we are doing.
We shall be glad to discuss the subject with you
THE CANADA PERMANENT TRUST Co
Paid-up Capital One Million Dollars
TORONTO STREET, TORONTO
MANAGER, ONTARIO BRANCH . . A. E. HESSIN 35

BALANCE SHEET
OF THE
Toronto Mortgage Company
For the Year Ending 31st December, 1928

ASSETS

Office Premises in Toronto Street unencumbered		$ 45,000.00
Real Estate held for sale		None
Mortgages at face value, less provision for possible depreciation—		
Principal	$3,147,761.46	
Interest due	2,407.85	
		3,150,169.31
Loans on Stocks and Bonds		10,000.00
Securities of the Dominion of Canada and its Provinces	344,535.72	
Securities guaranteed by the Dominion of Canada or by its Provinces	14,373.75	
Debentures of Canadian Municipalities	158,310.88	
Other Bonds and Debentures	36,251.36	
		553,471.71
Stocks fully paid up		92,200.00
Cash in chartered Banks		42,122.18
Cash in Office		2,097.49
Total		$3,895,060.69

LIABILITIES

To the Public			
Debentures Sterling		$1,560,235.71	
Accrued Interest thereon		13,145.59	
Debentures Currency		538,400.53	
Accrued Interest thereon		12,397.26	
Deposits, Savings Accounts		88,099.09	
Reserved for accrued Income Taxes, etc.		11,265.17	
			$2,223,543.35
To the Shareholders			
Capital Stock subscribed	$724,550.00		
Capital Stock fully paid		724,550.00	
Reserve Fund		850,000.00	
Unclaimed dividends		79.25	
Dividends declared and unpaid due 1st January, 1929		21,736.50	
Profit and Loss Account—Balance carried forward		75,151.59	
			1,671,517.34
Total			$3,895,060.69

PROFIT AND LOSS ACCOUNT

Dr.	
Interest on Sterling Debentures paid and accrued	$ 78,592.40
Interest on Currency Debentures paid and accrued	24,678.92
Interest on Deposits	3,012.51
Charges on moneys borrowed and lent	12,019.79
Cost of Management, viz.—Salaries, Directors' and Auditors' Fees, Office Rent, etc.	26,441.36
Dominion, Provincial and Municipal Taxes, etc.	8,297.79
Dividends on Capital Stock at 12%	86,946.00
Balance carried forward	75,151.59
Total	$315,140.36
Cr.	
Balance brought forward	$ 49,469.11
Interest on Investments, and net rental from Office Premises, etc.	265,671.25
Total	$315,140.36

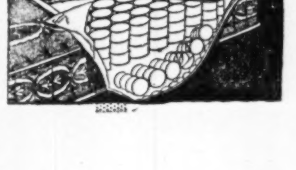
W. GILLESPIE, Manager. A. M. M. KIRKPATRICK, Vice-President.

Now — A MATTRESS THAT IS REALLY BEAUTIFUL

Luxurious Comfort

The new Beautyrest —in rich damask covers

Woven in dainty designs.—No seams, except at the edge, and these are covered with a taped border.



Hundreds of sensitive little coil springs buried between layers of pure new cotton are permanently attached to the firm pocket edge created by Simmons and found only on Beautyrest; ventilated side-walls. Rich Jacquard Damasks now cover the new Beautyrest....... $39.50

Amazing Beauty

THE first glimpse of this mattress in your furniture store will tell you that here for the first time is a mattress that is really beautiful.

But when you test its resiliency, when you stretch out at full length on its surface, when you sleep on it for a week, you will conclude as others have done that your sleep has never really rested you before.

The interior of this mattress is made up of hundreds of upright little coils of tempered steel. Above and below these coils are layers of fine new cotton.

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633

Mining Share Market Looms Strong; Stocks Are Scarce

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

New York Rushes to Buy Nickel Up to a Billion

EXPECT PLAN OF FINANCING PEND OREILLE

Market for Shares Has Taken Sudden Spurt Upward

BIG DEVELOPMENT

Large Amount of Drilling Accomplished—Also Controls Reeves-McDonald Venture

Pend Oreille's market turn has evidently arrived. The stock is now on its way up having got well over the $15 mark, for the first time since it sagged a year ago. Consistently bullish information has come out from the property all year.

The present activity has as its basis one quite similar to that of last year when the shares were carried to a high of $24. At that time Pres. Larsen of Spokane came east, presumably to discuss the future exploration, development and financing of the Pend Oreille property with a Montreal group, presumably interests associated with Consolidated Smelters. There were all kinds of rumors going the rounds at the time which made the shares quite an active trader.

Big Summer's Work

Great things have been accomplished on the property and by the company since that time and now Pres. Larsen is reported on his way east again. It is believed that his approaching visit has to do with financing of a large concentrator and an electrolytic zinc refinery.

During the year Pend Oreille has been examined by independent engineers including Prof. J. O. Neil, of McGill, who was retained to correlate the diamond drill results obtained in the past summer's extensive work. Whether or not his study was the result, late in the past year churn drilling in the lime beds was undertaken. The reason for this was that it was felt that the small diamond drills may have followed the soft lime formation and missed considerable ore. Vertical churn drill holes are believed to have supported this theory and to have proven that the ore bodies scattered along the 14-mile length of the property are more closely connected than was heretofore thought.

Controls Adjoining Group

Pend Oreille ore runs right up close to the B. C. border and then comes the Reeves McDonald group, on which a lot of work was done by Victoria syndicate and which property is credited with substantial indicated ore reserves. The ore is similar to the Pend Oreille deposits and the latter company seems to have made a good stroke by acquiring 1,200,000 of the Reeves-McDonald 2,000,000 issued shares.

It is now reported that a new and important ore discovery has been made on this property.

Recently the company commenced construction of a 4,000-foot main working tunnel, from a point 120 feet above the Pend Oreille River. This tunnel will eventually be pushed an additional 2,000 feet to tap the O'Donnell ore body at depth.

Meanwhile the company proceeded with the development on the O'Donnell, running a tunnel from a point 50 feet below the oxidized outcrop. This tunnel soon picked up the vein, and the first report forwarded to Col. Yuill from the company's superintendent, Harold Lakes, M.E., showed that the ore had been cut for a width of eight feet. A second report received showed a width of 25 feet, with the full face still in ore.

Reeves-McDonald ore is shown to run about 7½ per cent. zinc, it is stated. All zinc ore under 10 per cent. crosses the line duty free. Such ore, it is figured, results in 150 pounds of metal to the ton. The duty of approximately 2 cents per pound effects a saving to the company of $3 per ton.

Immediate plans of the company consist of the rapid driving of the main working tunnel and the further blocking out of tonnage. The ore ready for mining on the Reeves alone, state officials, is sufficient for four years' operations at 1,500 tons daily.

Construction of the new hydro-electric plant for the West Kootenay Power and Light Company a few miles down the Pend Oreille River from Reeves McDonald, gives added interest to the latter undertaking, as does the early construction of a railway by the C. P. R. to serve the entire district. Company officials state that these factors will result in Reeves McDonald reaching production two full years sooner than if such power and transportation facilities were not immediately in sight.

TOPLEY RICHFIELD MEETING

Topley Richfield annual meeting was held Jan. 19, at Smithers, B. C.

Mining Pioneer

JNO. W. CALLINAN, president of Callinan Flin Flon in Northern Manitoba and interested in numerous other mine ventures.

STRONG POSITION SHOWN BY REPORT OF NORTH CANADA

Company's Main Holding is in Shares of Kirkland Lake Gold

Northern Canada Mining Corp., which succeeded Beaver Consolidated Mines, and whose principal asset is shares in Kirkland Lake Gold Mines, had a satisfactory initial year, shareholders are told in the first annual report.

Company has issued 2,500,000 shares and an equal amount in the treasury.

"The development program of the Kirkland Lake Gold Mines, in which your company has a substantial interest, is proceeding in a way satisfactory to the management," says President D. B. Hanna. "The 500,000 shares of the corporation offered to shareholders in October last were not fully subscribed and an underwriting syndicate was, therefore, formed, including directors and others, to take up the balance unsubscribed at the same price per share as offered to shareholders. This underwriting is now completed and since the close of the fiscal year the funds received have been satisfactorily invested."

Listed stocks held by the company are shown in the balance sheet at $1,729,867, although a notation is appended stating that the market value on December 21 last was $2,849,419.55. Accounts receivable from the underwriters and sundry were $308,654.60 and cash in bank, $27,837.80. Mining claims, mill plant, etc., less amortization, were taken in at $6 and other assets amounted to $1,799.78. Discount on shares, less amount written off, totalled $783,853.65.

The only current liabilities were miscellaneous accounts payable amounting to $2,018.83. Capital stock issued and underwritten is shown at $2,350,000, calculated on the basis of 2,000,000 shares of original par value of $1 and 500,000 shares at 70 cents each. Reserve account was $500,000.

The debit balance of the profit and loss account on December 31, 1927, was $113,174.50, to which was added net expenses for the past year of $8,404.03. These amounts were transferred to the reserve account.

Will Diamond Drill Seine River Group

Copper Zinc Mines, Sudbury, will launch a drilling campaign on its Seine River group. The company holds 400 acres in the Upper Seine River section north of Sapawe Lake and 127 miles west of here on the Winnipeg line of the Canadian National Railway. The property formerly was known as the Hammond Reef Mine, and has had considerable development, with a 40-stamp mill at one time having been in operation in the early days of the district. Surface work has disclosed a strong zone which carries good values in gold, and this showing is to be tested at depth, with several thousand feet of drilling having been arranged for.

VENDORS POOL EXPIRES

It is reported that the vendors pool of 1,250,000 shares of Jackson-Manion stock expires Feb. 28.

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ORDERS EXECUTED ON ALL EXCHANGES

5 ORE BODIES ARE PROVEN AT BUCHANS

Lucky Strike Alone Contains Close to 5,000,000 Tons

CHANGES IN MILLING

Additional Flotation Units Being Added to Get Better Extraction

Five known orebodies with an estimated tonnage of 5,750,000 have been proven on the Buchans property in Newfoundland. A sixth body is not sufficiently advanced in exploration so as to allow an estimate to be made. Lucky Strike orebody is now estimated to contain near 5,000,000 tons. Extracts from the latest report of H. A. Guess, of American Smelting and Refining, New York, were read by the chairman of the Anglo-Newfoundland Co. at its annual meeting in London.

These two companies have an agreement which provides that A. S. & R. shall carry out all the exploratory and development work and furnish the necessary capital, and that the net profits are to be divisible equally. Mr. Guess' report reveals that it has been found desirable to add additional flotation units to the mill to get better extraction and these should be operating at the end of this month. Mr. Guess' statement reads:

"Explorations were started by us in the summer of 1926, and we utilized for such explorations the Lundberg method of electrical prospecting, with the result that by September, 1926, we had thereby discovered throughout an east-west zone of some 8,000-ft. length one very large orebody, designated as Lucky Strike and lying at the western end of the zone, and a group of smaller orebodies at the eastern end of the zone and designated Oriental. Also two small lenses of ore in the vicinity of the original Buchans discovery of some years ago.

Ore Reserves

"The drilling so far done at Oriental is insufficient to enable any definite estimate to be made as to tonnage and grade, but in the tabulation below there is given an estimate of the five known orebodies:—

	Short tons
Lucky Strike Orebody	4,750,000
North, East and also West of Lucky Strike	575,000
Buchans Old Orebody	100,000
Oriental West Orebody	125,000
Oriental East Orebody	200,000
	5,750,000

"When, some weeks ago, severe weather conditions rendered it advisable to discontinue electrical prospecting until next spring, the electrical prospecting was obtaining some fairly encouraging indications within an area about nine miles easterly from Lucky Strike orebody. This does not necessarily indicate any ore, but it will be investigated next spring.

Operation of the Mill

"One-half of the mill was started early in September and has since been continued.

"It was apparent, however, after the mill had been running a month or so that upon this ore, which is the most difficult of separation that we have ever encountered, additional flotation equipment would be needed to enable a more prolonged treatment and to reclean both the lead and zinc concentrates, and thereby bring them up in grade.

"Some of this additional equipment is now being installed, and by the end of January the benefits therefrom in the way of improvement in recoveries and grade of product, and correspondingly in profits, will begin to appear.

"Meantime, upon the present partial tonnage basis and with recoveries and grades of products considerably short of that set as the objective, the profit, before any amortization or Newfoundland royalty deductions, has for October and November been $85,998 upon 16,973 dry tons milled, or approximately $5 per ton.

"Considering now the above-mentioned ore reserves of 5,750,000 tons, the average assay values are: Gold, .033 ounce, silver, 3.25 ounces, copper 1.4 per cent., lead 7.65 per cent., zinc 17.85 per cent.

"This tonnage of nearly 6,000,000 tons, representing as it does nearly 40 years' life at capacity of present mill, justifies an enlargement of the mill to approximately 1,000 tons daily, or, say, 300,000 tons per year, and moreover the cost of such mill, power, and other enlargements would very quickly be returned in decreased per ton operating costs."

The chairman said that the A. S. & L. expenditure to date was $4,000,000.

LOOKS LIKE ABANA LOST GOOD CHANCE

Quits Concentrator Construction and Loses Out on 17c. Copper

In connection with the Abana situation, there seems to be one point that has been overlooked in making the decision to halt construction of the concentrator and that is that the company is losing what may be a golden opportunity to take advantage of the existing copper price of 17 cents.

When the change was made in the Abana board late last year it was decided to halt construction of the concentrator. At the same time the most conservative report put out, admitted that there was a small mine west of the dyke. Granting that there is as low as 200,000 tons in this section, this would keep a 200 ton concentrator going well over two years.

No one knows how long 17 cent copper is going to last. Indications are not lacking that a high price will be maintained for some time. Abana could have played safe by getting copper production under way as quickly as possible and stacking its zinc. Incidentally the income from this production might have been sufficient to take care of the development program and save the issuing of further stock, which must be done sooner or later.

DRILLING GOODFISH

Station cutting at the 125-foot level of Goodfish Gold's new shaft is practically completed. Diamond drilling in the vicinity of the new shaft from surface recently encountered six feet of vein matter showing free gold. It is reported that another drill will be taken into the property.

New York Clamoring to Buy Nickel Shares

New York has been clamoring for "nickel" for a week now, ever since J. L. Agnew took down samples of the ore encountered on four levels of "Nickel's" workings, and particularly on the 2,800-ft. horizon where the combined nickel-copper values are over 20 per cent. The results obtained on these levels and the widths are as follows:

Level	Width of Ore	Metal Content
1,200	100-ft.	5%
1,600	45-ft.	6%
2,400	75-ft.	8%
2,800	62-ft.	22.5%

At the 3,100-ft. level Mond Nickel cut the ore a considerable distance away and got approximately the same values as I. K. on the 2,800-ft. level. Wall St. Journal says Mr. Stanley did not feel warranted in making a definite tonnage statement, but that paper says "it would seem from these developments that an ore reserve of 20,000,000 tons down to the 3,000-ft. level is already indicated in the Mond and International Nickel workings on the Frood ore-body and that the average grade would be over 10 per cent. in nickel and copper, with precious metals, including platinum, averaging several dollars a ton. These developments indicate the Frood orebody to be one of the largest bodies of high-grade copper ore ever discovered. In view of the manner in which the Frood ore has been formed, the discovery of 22.5 per cent. copper-nickel ore on the 2,800-ft. level is especially significant and would lead one to expect similar high-grade ore on lower levels in the footwall orebody.

Enlarge Pt. Colborne Plant

International Nickel has taken out permits at Port Colborne to enlarge the refinery at a cost of $1,500,000. This will provide three additional electrolytic units and provide for a capacity, when added to those now operating of 7,000,000 lbs. of nickel monthly.

Chile Copper Produces 400,000,000 Lbs. Yearly

Averaging Ten Per Cent. Ore Frood Will Better This Record by Near Two Million Pounds of Copper Alone

Merged nickel companies plan to handle 10,000 tons of ore daily from the Frood when production is under way. This means 3,600,000 tons yearly. If the ore averages 8 per cent. copper and 2 per cent. nickel, this will give a production of 576,000,000 pounds of copper yearly and 144,000,000 pounds of nickel besides the precious metal values.

Just at the moment attention is being focused on two other large copper producers, Anaconda and Chile as it is expected that the former will soon absorb the latter.

Anaconda Output

Anaconda is regarded as the largest copper producer of all and Wall St. Journal says Anaconda's own output, together with pro-rated output from affiliated and subsidiary companies, is about 550,000,000 pounds of copper a year, while its own output together with total output of subsidiary and affiliated companies is around 1,125,000,000 pounds, so that even now the total output of Anaconda and its subsidiary and affiliated companies, such as Inspiration and Greene Cananea, is not sufficient to supply Anaconda's fabricating needs and yet leave enough copper for it to take its share of Copper Exporters sales abroad. That is why Anaconda, or rather its subsidiary, American Brass, is constantly buying copper in the open market.

Chile Production

Chile has at present a producing capacity of around 400,000,000 pounds of copper a year from its oxidized ores. It is not probable that the capacity of this part of the plant would be expanded much further, but in two years' time, whenever the occasion indicates its advisability, the company could provide facilities for ferrous sulphate leaching of its mixed sulphide ores using processes similar to those at either Inspiration or Andes, bringing output from mixed ores up to 200,000,000 pounds a year, and later even higher.

Big Ore Body

Chile is assured of extraordinary long life as, says the Wall St. Journal, the orebody is not only larger than any other two orebodies in the world combined, but producing 400,000,000 pounds a year, the orebody has a life of more than 100 years, and can produce copper at about as low a cost as any orebody in the world.

The sulphide ore at Chile underlying the oxidized ore has not as yet been fully delimited, but is of large size and mining of at least the upper mixed sulphide part of it must begin in another two or three years as shovelling of the oxidized ore will in that time begin to uncover the higher knobs of the mixed sulphide ore where complete oxidation has not extended as deeply as in other parts of the occurrence.

Anaconda shares sell at $124 and pay 75 cents per share quarterly. Earnings in 1927 were $3.37 per share. Chile copper is selling around 92, pays 62½ cents quarterly and in 1927 earned $2.51 per share.

Anaconda, owning outright over 50 per cent. of Chile, purchased at $35 per share, has now made an offer to take in the minority stock on an exchange basis. Anaconda wants the full Chile copper output.

TO ISSUE NORANDA AT $45 PER SHARE

Stock Rights to be Offered on Basis of One New for 30 Now Held

Noranda will issue 72,285 new shares to shareholders at $45. For each 30 shares held, one new can be taken up.

Funds will be used to retire $2,450,000 bonds and provide part of the $1,500,000 needed for plant expansion. This means that the dividend goal of the operation will be moved decidedly nearer.

Pres. J. Y. Murdock's statement, following the directors meeting, follows:

"The directors of Noranda Mines have decided to recommend to the shareholders that an issue of treasury stock be made to the shareholders, the subscription rights being one share for each 30 shares now held, at a price of $45 per share. It is the intention of the board that the proceeds of such offering be used to retire the outstanding 7 per cent. bonds of the company's wholly owned subsidiary, Horne Copper Corporation, and to capitalize the $1,500,000 expenditure on the doubling of the plant capacity and enlarging of underground workings as outlined in the president's statement of October last, instead of paying for same out of earnings. This will enable the company to pay dividends to its shareholders much sooner than would otherwise be possible. The matter will be submitted to the shareholders at the time of the annual meeting, which will be called in the course of a few weeks."

$2,450,000 Bonds

The last annual statement of Noranda Mines, Limited, showed $3,000,000 of the Horne Copper Corporation's 7 per cent. bonds outstanding, but $350,000 of these were retired last year, leaving outstanding $2,450,000. The retiring of these bonds will remove from the company the necessity of paying the 7 per cent. interest, amounting to $171,000 annually, and the fact that the greater part at least, and possibly all of the $1,500,000 spent or to be spent in extensions and mining development will not come out of earnings, makes the time of dividend payments a year earlier than might otherwise have been expected. In fact, informed opinion recently was that dividends might possibly be inaugurated before six months had passed. In addition to the interest saved on the bonds, another great saving is that the company will no longer have the obligation placed on them by the sinking fund to pay to the trustee semi-annually $2 for every ton of ore mined, concentrated and smelted during the preceding half-year. When the mine gets to a capacity of 2,000 tons a day this would mean a total of $4,000 a day, and to have such a possible expenditure eliminated is of great importance to shareholders, especially as it would entail paying $2,000 a day even now.

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OTTAWA ABOLISHES ROYALTY ON MINES

New Regulations on Crown Lands Provide for Tax on Profits

New mining regulations of the Dominion Government, controlling mine operations on Crown Lands under Federal jurisdiction, have been issued. They hew pretty close to those tried and proven in Ontario.

Every prospector on Dominion lands must have a license expiring on March 31 of each year, but renewal licenses are unnecessary once the final concession of claim is made. The licensee may stake and record at any time in the license year, three claims for himself and three for each of two other licensees or nine claims in all in each of the mining divisions in which the provinces and territories may be divided. In the northwest territories, double the number of claims may be staked and recorded.

The entire claims may be recorded at once, relieving the licensee of the necessity of obtaining and recording in advance, powers of attorney from those for whom he is acting.

Any prospector may stake, in any one mining division, over 450 acres, or in the northwest, 90 acres. The maximum area which may be staked will depend upon the number of mining divisions.

In regard to staking, the four-post method is being reverted to. In treeless territory, a metal tube, six inches in length, or, in extremity, a tin can may be instituted for a legal post. If the claim is so situated that posts cannot be placed at any of the four corners, 'witness posts" may be substituted to indicate the point where the legal post should have been planted. The number of the claims will be indicated by a metal tag supplied by the department.

Before the recorded owner is entitled to a final lease, two hundred days' work must be performed on the claim during a period of five years or less, and at least forty days' work in the year after recording and in each succeeding year. In the territories, the period within which the first year's work is to be done, shall not be longer than eighteen months.

After the performance of two hundred days of work has been established and certain other requirements complied with, the recorded owner will be entitled to obtain a certificate of improvements and, upon payment within three months, of the rental and fee, he will be entitled to a lease for a period of twenty-one years, without further rental and renewable for additional period of like duration, subject to rental.

Regarding options, it is provided that after a mineral claim has been issued, an assignment of the whole or of an undivided interest shall be filed with the minister but the department shall not be required to accept and register such assignment unless it is unconditional. A conditional assignment, however, may be accepted and registered in the discretion of the minister.

The royalty regulations are changed. In place of collecting royalty at the rate of two and one-half per cent. of the sales of products of the location, it is provided that payment be made of royalty on the profits of the mine over $10,000 a year. The royalty is payable on the first of October.

MINE SHARES NOW RESPOND TO GOOD NEWS

Indication That Stocks Are Scarce at These Levels

MONEY PLENTIFUL

Broker Says There Are Too Many Millions Available to Allow Market Break

"A few years ago there were a limited number of men who could throw $100,000 into the market.

"To-day there are ten times as many who can throw a million and many of them millions."

The above is one broker's explanation of why the market for the good mining stocks has been holding up so well despite the fact that the banks are still frowning on speculation and declining to advance loans to clients wishing to buy into the mines.

Two facts seem to stand out in regard the present market for mining shares. The market is strong despite the fact that buying on margin is only possible, in a limited way through brokers, and the bulk of this is now on a 50 per cent. or better basis, eliminating the ever present danger when the market reacts, of weakly covered or supported accounts.

Stocks are Scarce

The second fact is that stocks are scarce. An always true indicator of this is when the market responds to good news, as it has been doing lately.

During 1928 some wonderful news came out on different operations, and to the surprise of many the shares sold off. This means that there was lots of stock for sale and that they were waiting for some good news to buoy the market up while they were liquidating. If liquidation had been attempted without the support of good news the break would undoubtedly have been many times greater, so that the good news may have been quite a builder of buying but its good work was offset by the opportunist sitting on the sidelines waiting for just such a situation to sell.

Outlook Favorable

The situation as it exists to-day is favorable for a bull market and it would seem that a substantial rise will be necessary to wreck the present strong position of the mine shares. Besides a favorable factor is that there is more new money in the market to-day than ever before. New Yorkers are now really sold on Canadian mining. A year ago they were talking of the Canadian mining complex, of how our stocks were selling at ridiculous prices when compared with earnings and they proceeded to give Canadians all the "Nickel" they would take. They have since learned a lesson. They were trapped short of blocks of "nickel" and paid heavily. They learned to respect Canadian judgment more; to know that Canada has really some wonder mines; and that big money was to be made in Canadian mining.

New York Helped

Canadian mining share market has benefited in three ways from this clash with New York. Profits on Nickel have left a trail of millionaires; half and quarter millionaires, throughout the country. This tremendous volume of speculative profits is going to make its presence felt in the market for other good mine stocks and lastly, it has started New Yorkers wondering, if a country that can produce the wonder mine of the world may not have something just as good to switch their clients or their own dollars into now that "Nickel" is at the point where it begins to look top heavy. The Noranda market, its history and its development of such rich copper ore has not hurt Canada or the U. S. either.

New York and Boston have for years felt that they were the only centres that knew anything about copper. One thing they do know the possibilities of copper for profits. That is why they are getting so keen on Canada.

Howe Sound Earned $1.52 on Common

Howe Sound Co., operating Britannia Mine in British Columbia, for quarter ended December 31, 1928, reports net profit of $754,513 after taxes, depreciation, etc., but before depletion, equivalent to $1.52 a share earned on 496,038 shares of no-par stock. This compares with $668,194 or $1.35 a share in preceding quarter and $452,360 or 91 cents a share in fourth quarter of 1927.

Statement for year 1928 compiled from quarterly reports shows net profit of $2,649,068 before depletion, equal to $5.34 a share against $2,142,116 or $4.31 a share in 1927.

Income account for the quarter ended December 31, 1928, compares as follows:

	1928 $	1927 $	1926 $
Gross	4,118,174	3,438,838	3,333,742
Operat. costs	3,229,694	2,798,102	2,533,893
Opera. inc. .	888,480	640,736	799,849
Other income	91,611	78,388	69,094
Total inc. .	980,091	719,124	868,943
Depreciation	225,578	266,764	192,793
Profit before depletion .	754,513	452,360	676,150

Preliminary statement for year 1928, compiled from quarterly reports, compares as follows:

	1928 $	1927 $	1926 $
Gross	15,338,813	13,393,178	13,797,373
Oper. cost. ..	12,174,030	10,665,799	10,154,224
Oper. inc. ..	3,164,783	2,727,379	3,643,149
Other income	382,057	352,847	211,704
Total inc. ..	3,546,840	3,079,726	3,854,853
Depreciation	897,772	937,610	762,762
Profit before depletion .	2,649,068	2,142,116	3,092,091

GOLCONDA MEETING

Golconda shareholders meet in Spokane, Feb. 20. A dividend declaration may be announced. Company is earning around $23,000 monthly. Two Canadians are to be added to the board.

At Last! New York Believes It's a Mine

It is wrong that the ten point advance scored by "Nickel" during the past week was on New York buying.

J. L. Agnew took some samples of Frood ore, and some facts on values encountered to New York.

Evidently he convinced the skeptics.

The general opinion is that the wave of buying his visit created, was a rush of shorts to cover.

Imagine New York buying old Nickel on a basis of $384 when they were handing the misguided Canadians all they would take at $80.

They only saw earnings and this is one case where having to see to believe has cost them plenty.

I. K. Directors May Meet Here

Head office of International Nickel Co. of Canada is at Coppercliff, the home of the company's big reduction works.

One meeting of shareholders has been held since the Canadian company purchased all the assets of the U. S. company and that convened at Toronto. It may work out that Toronto will continue to be the meeting place of the advisory board, and the board of directors, as the office of the secretary of the company, Britton Osler, is in Toronto.

SHERRITT SHARES READILY TAKEN AT PRESENT LEVEL

Over Two Million Valuation of Shares Traded in Last 22 Days

Who is accumulating Sherritt-Gordon? There is no riotous trading for the stock but there is always some one ready to take any offering.

Trading in the stock has been quite significant of late.

Since the first of the year the demand seems to have become more intensified and the price has held firm around $7 with one burst up to $7.30. In 22 days total transactions have been 337,000 shares which at $7 per share involves $2,359,000. Brokers say that this is no ordinary trading and that there must be something doing to attract so much money to an issue in a period of three weeks.

The brokers say that there are plenty of intervals when the bid price of Sherritt is well under $7 but the moment stock is offered at that price, it is quickly grabbed up. Sherritt is pushing ahead development on its property. Drifting has been going on from two shafts. The bulk of the work has been done east of the east shaft and lateral work on the ore is revealing better widths and much better values than those recorded from diamond drilling.

The company continues to explore new sections of the ore zone to the west and the conclusions being reached are that Sherritt is shaping up as a much larger tonnage proposition, with a better grade of ore, than has been hitherto estimated.

Construction of the railway line, 43 miles into the property, is to be completed by the end of the year and it is proposed to immediately take in equipment for a 1,500 ton concentrator. Under this schedule Sherritt would be ready to produce in the early summer of 1930. However, this schedule will be considerably bettered as there is a bonus hung up for speeding up the railway and the concentrator equipment will likely be ready for shipment when the steel is finished.

A test mill is now being taken in with the winter supplies.

100 YEARS OLD B. C. VENTURE STARTS AGAIN

Murder and Execution Marked Bluebell's Early History

WILL TREAT TAILINGS

Valuable Zinc Ore Dumped Into Kootenay Lake Many Years Ago

From Our Own Correspondent

NELSON, B. C.—Assembling under one ownership, properties that give a mile in length on the known Bluebell ore zone, that traverses the Bluebell peninsula projecting into Kootenay Lake, Bluebell Mines, Limited, a $2,000,000 company just formed, proposes to bring again into operation this most venerable of Kootenay producers, with an operating history that no other British Columbia property can match for length. The new merger takes in the Bluebell group, and the adjacent Comfort and Kootenay Chief properties. Twelve of the claims in the new grouping are virgin ground, with known ore deposits, and in spite of the Bluebell's long history, and its long-mined glory hole, there is still a large tonnage to be mined from the Bluebell claim alone. Few even in the Kootenay, it is said, realize the potentialities of the Bluebell to-day.

The new operation, which is expected to begin in the spring, will include both exploitation of the Bluebell ore zone, and the new departure of recoveries from the tailings in Kootenay Lake.

History of the Bluebell goes back into the days of romance, when the Hudson's Bay Company and the red man divided sovereignty in this region, and the former provided the latter with bullets from Bluebell lead. Blood was shed in dispute over the property's early ownership, and a murder, and a legal hanging, were recorded in Kootenay history therewith.

New Organization

Provisional officers of the new company are S. S. Fowler, president and consulting engineer, who has been in charge of the Bluebell for 20 years or more, and B. L. Eastman, secretary-treasurer and general manager, who was partner with Mr. Fowler in the most recent operation, the third provisional director being E. C. Wragge, of Nelson, head office being at Riondel, site of the mine. The company is capitalized for 2,000,000 shares of $1 par value.

There are a half million tons of tailings dumped into Kootenay Lake from operations in the days before selective flotation was known. These are high in zinc, besides having recoverable lead and silver. It is estimated that the tailings alone should produce a profit of about $500,000.

Tailings Valuable

The ore occurs as a replacement in a 200-foot band of upper pre-Cambrian limestone, which extends for the full length of the Bluebell peninsula, or about a mile. In past operation about 500,000 tons of ore has been mined and treated, which has shown a metal content of about 6½ per cent. lead, 8½ per cent. zinc, and 2.8 ounces of silver to the ton.

Hudson Bay agents discovered the deposit well over 100 years ago but it was not until 1882 that anything was done with it when it was discovered by R. E. Sprowle, a prospector from Idaho. He had difficulty in registering his staking, as the nearest gold commissioner's office was 160 miles away, requiring a journey of many days, yet the law demanded that the discoverer absent himself from a claim for not more than 72 hours at a time during the season, and Sprowle's group was not the only party in the Kootenay. Thomas Hamill, a young prospector, headed a sizeable party sent out by Captain Ainsworth, founder of the Oregon Navigation Company.

(Continued on page 23)

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NEW INTEREST IN FALCONBRIDGE BOOSTS SHARES

Heavy Demand May be Due to Awakening Interest in New York

Falconbridge Nickel shares are in demand at rising prices. Undoubtedly the high price of International Nickel, coupled with the report that deep drilling on the Falconbridge has indicated an improvement in values of one per cent over the values above the 500-ft. level, is responsible for the new activity.

It has been expected for some time now that the public would ultimately turn to Falconbridge. It was announced by company officials, that after making a complete geological study of the property, they were convinced that they had a geological condition that justified them expecting that they would encounter an enrichment in copper at depth, similar to that on the Frood property farther west.

In addition to this, the big gamble in Falconbridge, one of markets, has been completely removed by the heavy demand which has sprung up for the metal. The two large nickel producers are now turning out metal at a rate double that of a year ago. Falconbridge interests are now set on stealing some of the customers of the larger companies but expect to pick up some contracts among the newer users of the metal who are constantly springing up.

New York Interested

There have been reports that New York was taking quite an interest in Falconbridge and that ultimately they might take hold of the stock in real earnest. An evidence of this interest was the recent publication by Weir Brothers & Co., New York brokers, of a four page folder on the venture.

Most of the facts presented were outlined at the meeting of Sudbury Basin Mines shareholders when they decided to purchase 1,250,000 shares of Falconbridge. The rest of the folder is conjecture and surmises, presenting in all an interesting picture. The main statements made are as follows:

"No discussion of the vastness of this growing nickel industry could take place, with reference to the Falconbridge, without consideration being given to the now known actualities of such neighboring properties as the International Nickel and Mond Nickel Companies. International - Mond are now finished structures, or, from another point of view, their ultimate possibilities are yet far from being known. It has required some forty years, and upwards of one hundred million dollars to bring them to their present known definiteness, whereas with Falconbridge this should be a matter of less than forty months with relatively small capital employed. It is engineering and geological science which permits us to now know some of the actualities of this combination's ore reserves to the 2,000-ft., 3,000-ft., and even 4,000-ft. of depth. But with all it is to be understood that the full extent of this Frood ore body is not known at present, so massive are its proportions.

"By the same token Falconbridge is rapidly developing its way for a future comparison with these now noted properties soon to be known as Inco. Canada.

"Strictly speaking, there is no comparison to-day between Falconbridge and the International-Mond combination—there is no record in all mining throughout the world that could be compared with these tremendous disclosures. It might be significant and interesting to state that the International-Mond found its great values and tonnages below the thousand foot level, whereas Falconbridge virtually finds it at the surface and, now, having pierced the thousand foot horizon with the drill points, it is much richer than these two neighbors under similar footage developments.

"As of this day the entire mining and industrial world is standing in awe as to the meaning of words used by engineers and men of affairs in describing the richness and wealth of the International-Mond combination. Some authorities estimate the liquidating values of these Mond shares (Frood Ex.) alone at $100 to $200.

"Freak of Nature"

"Seemingly all figures, estimates of tonnages and values are carrying the public mind into a maze of fantastic realms wherein one's sense of proportion has become dulled. It might be justifiable to say that it will require generations yet unborn to adequately measure the fullness of what this freak of nature has brought into play here at Sudbury.

"The forthcoming merger of International and Mond will give the mining world a thrill of new conquests. Such an organization will be quickly recognized as one of the world's largest and possibly most profitable mining enterprises with few exceptions if any. These two companies retaining their individuality have planned to spend ten million to twenty million dollars each for new expansion. Under the merger plans, much of these extraordinary costs will be eliminated. Such plans to be adopted will cause no new financing as the International-Mond are carrying cash surpluses, possibly aggregating upwards of $35,000,000.

"At this time the new combine can lift 5,000 tons of rock per day, possibly within the next one or two years they will be lifting from 10,000 to 20,000 tons per day. As the years go on, this tonnage can be made to approach the magnitude of some of our United States and South American copper mines.

"As Falconbridge is scheduled to be under production the latter part of 1930, it is believable that this company will be quickly recognized as the second largest producer of nickel throughout the world. It should be interesting to watch the growth of the Falconbridge in comparison with these near and profound neighbors, in this fascinating drama of capitalizing wealth."

Dealing directly with Falconbridge the circular says that in light of recent developments an estimate of 10,000,000 tons of indicated ore to 1,000 ft., would be conservative.

Would Supply Power for Coast Smelter

B. C. Power Corporation plans establishment of a large hydro operation on Campbell River, Vancouver Island, and it is suggested on the coast that the development is designed to furnish power to the copper smelter which Consolidated Mining & Smelting will establish and which is likely to be constructed on the property of Coast Copper, controlled by Consolidated, but a short distance away from Campbell River.

The provincial government announces that immediate application will be made by the corporation for the right to proceed with engineering investigations, which will determine the size and character of the scheme. It is stated that about 40,000 horsepower could be developed at Campbell River. Up to 75,000 horsepower could be produced by the use of Buttles Lake in Strathcona Park. But how far the B.C. Power Corporation will go in its scheme has not yet been disclosed.

Tough-Oakes Outlook is Far from Bright

Shareholders of Tough - Oakes-Burnside have little to hope for, according to a statement made by Attorney-General Price, following the receipt of John Reid's report on the property.

Mr. Reid's conclusion is that the known ore has been mined, though it is suggested that Manager Alan Stuart, now in England, may know something.

It is stated that London is expected to issue a report shortly. It is said that London will pay all accounts.

ELDORADO'S CASH POSITION STRONG; WANTS NEW GROUP

Engineer Recommended Against Further Work on Cen. Manitoba Property

Eldorado Mines annual report deals with the abandoning of operations on its Central Manitoba group. President Chas. Labine says that mine Superintendent J. P. Millenbach, made a survey of development and from the 4,379 ft. of drifting gave a report to the board which resulted in the decision to discontinue operations. He says the company will acquire other properties of potential merit when the opportunities present.

The balance sheet shows that the company is in an excellent position to do this, having $257,731 invested in bonds, $3,748 cash and other liquid assets of $17,323. Current liabilities are under $2,000.

The report of the engineer which led to the decision to halt operations read:

"At the beginning of the year the shaft was down to the 250-foot level and a cross-cut had been driven to the vein to determine its width and value at that horizon. Immediately sinking was resumed. A station was cut at the 375-foot level and the shaft put down an additional 125 feet with a 20-foot sump. A crosscut was driven about 90 feet where it encountered the downward extension of the vein. The crosscuts on each level were widened to accommodate double tracks and turn sheets put down.

"The drifts were driven on all levels, both east and west. The 125 east drift was driven on a strong break for 270 feet when the ground tightened and feldspar stringers predominated. Work was discontinued on this face at 297 feet east of the shaft. The west face on the first level was driven 527 feet with occasional short lenses of gold bearing quartz between two and three feet wide.

"On the 250-foot level the east drift was advanced 490 feet on a well defined break, but with only a few encouraging values. At a distance of 410 feet west of the shaft an offshoot to the south was encountered and followed for a distance of 210 feet. Two parallel narrow quartz stringers showing considerable free gold were opened up; however, no ore was encountered.

"The 250 west drift was driven 1,071 feet on a strong break, but no ore in commercial quantities was encountered.

"On the 500-foot level conditions similar to those on the 250-foot level were encountered in the east drift and it was discontinued 733 feet east of the shaft.

"The 500 west drift was advanced 1,051 feet. At a distance of 667 feet a cherty dyke was encountered which cut off a north extension of the vein; however, the south extension was picked up 60 feet farther and drifting continued. No commercial ore was gone through. The results obtained on the first level were encouraging, particularly near the shaft, and values compared favorably with surface results. On the 250-foot level a body of quartz seven feet wide was cut near the shaft which gave indications of the break improving with depth, for that reason the shaft was sunk an additional 250 feet, but the break at this horizon did not meet expectations. Later drifting on the 250-foot level showed that the vein had been cut in the best spot for only small lenses of quartz were opened up with later development. After carefully back sampling the drifts over the entire length of the break and comparing the results obtained on each level it was concluded that better values could not be reasonably expected at depth, and the possibilities of obtaining ore in commercial quantities above the 500-foot horizon had been practically exhausted.

"About the end of November it was decided that further work was not warranted and dismantling and removing underground equipment was commenced. It is estimated that the work will be completed about December 15."

100 YEARS OLD B.C. VENTURE STARTS AGAIN

(Continued from page 22)

Soon after Sprowle struck the big ledge Hamill came upon it, too, but he had been sufficiently foresighted to bring the gold commissioner with him, and consequently secured a priority on the register. Thereupon a legal battle was on as to the ownership of the claims, for Sprowle had priority in staking.

Murder Resulted

A vivid picture is drawn of the two warring camps settled on the peninsula, known as the Bluebell or Riondel, long before the days of steamboats on the lake, or railways leading to it, when the parties were among the very few white men in the whole region. After quite a lapse of time in which, according to Baillie-Grohman, many dire threats were exchanged, Judge Kelly finally arrived to try the case. He slept in one camp and ate in the other, the latter being decided by the enticing supply of molasses, onions and canned goods possessed by one of the parties. The biggest of the three log-houses became the courthouse, and still stands on G. B. Matthew's ranch. Beside it is Hamill's grave, for though the first decision favored Sprowle, the second, made in Victoria, was in favor of the Hamill-Ainsworth interests. This so angered the excited Sprowle that he vowed vengeance, and in the course of time returned to the Bluebell, where he fired on Hamill from ambush, killing him by breaking his back. Shortly afterwards Sprowle was captured just as he was trying to cross the boundary, and was later hanged in Victoria. The Ainsworth interests have held the Comfort and a few other claims thus acquired, up to the present.

Since then the Bluebell has had many and varied vicissitudes, and several changes in ownership.

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Gold Tonnage and Values Dropped Back Last Year

Final 1928 returns on Ontario gold production to the Ontario Department of Mines shows that in Porcupine the year fell $3,300,000 below the 1927 total of $23,681,642. Kirkland Lake on the other hand nearly offset this loss with an increase of $2,400,000 to $12,165,003. The total for both camps for 1928 was $32,549,344 as compared with $33,409,247 in 1927.

The figures with tonnage and value per ton are as follows:

	Porc.	Kirkland L.	Total
1927			
Tons	3,480,251	793,532	4,273,783
Value	$23,681,642	$9,727,605	33,409,247
Per ton	$6.80	$12.25	$7.82
1928			
Tons	3,185,614	1,034,909	4,220,523
Value	$20,884,341	$12,165,003	$32,549,344
Per ton	$6.40	$11.75	$7.71

It will be noted that the total tonnage declined only about 50,000, but at the same time there was a drop of 11 cents in the average gold content of the ore handled. Both camps fell back in this regard, the average for Porcupine being down 40 cents and Kirkland Lake 50 cents.

The department of mines lists the producing mines for December in order of output as follows:

Porcupine: (7) Hollinger, McIntyre, Dome, Vipond, Coniaurum, Ankerite, March, and Paymaster shipped clean-up material.

Kirkland Lake: (6) Lake Shore, Teck-Hughes, Wright - Hargreaves, Sylvanite, Kirkland Lake Gold and Barry-Hollinger.

Receipts of crude gold bullion from Ontario at the Royal Mint, Ottawa, for December totalled 105,098.23 crude ounces, containing 83,778.85 fine ounces of gold and 13,567.94 fine ounces of silver, having a total value of $1,739,579.46.

Monthly production figures for both camps for 1927 and 1928 are as follows:

	Tons	$	Tons	$
Porcupine				
Jan.	292,484	1,926,908	294,343	1,956,969
Feb.	265,559	1,885,833	213,343	1,439,161
March	284,999	1,923,787	269,050	1,690,320
April	286,066	1,964,516	256,531	1,628,305
May	301,300	1,925,322	262,646	1,701,794
June	283,525	1,935,354	252,004	1,471,019
July	288,549	2,051,240	264,134	1,576,745
Aug.	302,618	1,732,101	279,504	1,737,344
Sept.	296,713	1,902,915	276,412	1,530,605
Oct.	297,058	1,952,029	282,352	1,698,122
Nov.	292,493	2,170,555	274,665	1,923,228
Dec.	288,887	2,311,082	260,630	2,030,729
Total	3,480,251	23,681,642	3,185,614	20,384,341
Kirkland Lake				
Jan.	50,696	600,354	80,264	1,005,886
Feb.	50,103	592,230	84,906	964,830
March	60,272	706,083	90,624	1,084,949
April	59,075	698,782	78,640	884,289
May	61,687	857,632	86,099	997,145
June	67,409	736,811	86,301	1,153,313
July	66,899	762,749	90,208	969,998
Aug.	73,482	903,330	86,788	983,754
Sept.	69,404	928,638	88,364	972,060
Oct.	78,693	890,115	89,997	1,100,305
Nov.	75,538	961,500	85,606	1,016,467
Dec.	80,274	1,089,381	87,112	1,032,007
Total	793,532	9,727,605	1,034,909	12,165,003
Grand Total	4,273,783	33,409,247	4,220,523	32,549,344

NIPISSING HALTS ROBB-MONTBRAY MINE OPERATION

Closed Down When Program of Work Failed to Reveal Ore

"The program of underground work and drilling, having been completed without finding any bodies of commercial importance, all work was discontinued on Jan. 15.

So reads a part of the progress report of Gen. Mgr. Hugh Park of Nipissing Mine to the president and board. Whether this means the end of the Robb-Montbray operation is not clear.

Nipissing optioned the Robb-Montbray group from Quebec prospectors and after spending a substantial sum of money on underground exploration and diamond drilling, proceeded to organize Robb-Montbray Mines. Nipissing then offered stock rights to shareholders, part of the stock being treasury and part of it a portion of the stock which Nipissing took down for money expended. The result was that Nipissing got back all the money expended and had left quite a substantial block of stock. Quebec-Prospectors took a block of stock for their interest and also purchased a considerable amount of treasury shares.

Robb-Montbray loomed first as a copper venture but Nipissing's work revealed some fabulously rich pockets of gold ore and finally the venture came to be regarded as a gold operation.

Mr. Park in his statement on Nipissing's silver operation, says 1928 production was about the same as 1927. In 1927 the company produced 18,920,269 ounces of silver worth $1,117,109 net.

Mr. Park's report follows:

"During the months of October, November and December the company mined ore of an estimated net value of $287,818 and shipped bullion and residue of an estimated net value of $321,018.

"At Cobalt, there were no new discoveries of importance, production being obtained from a number of small stopes in various parts of the property.

"At Nipissing-Lorrain, final shipments of silver and cobalt ore were made during the month of November. The holes were drilled under Lake Temiskaming but encountered nothing of importance. All operations were suspended early in January.

"At Robb-Montbray, three drills were working from the surface, obtaining sections at a number of points, but encountered nothing of interest. The hole which was drilled from the 525-ft. level of the shaft and which cut the formation at a maximum depth of 1,000 feet, encountered a few patches containing low values in copper and gold. The programme of underground work and drilling having been completed without finding any bodies of commercial importance, all work was discontinued on January 15.

"The low grade mill treated 16,948 tons.

"The high grade plant treated 177 tons.

"The refinery shipped 503,468 fine ounces of silver.

"The following is an estimate of production for the fourth quarter:

Silver	$273,481.00
Cobalt	14,337.00
	$287,818.00

"Silver production for the year 1928 was about the same as for 1927.

Long Shoot Opened on Central Manitoba

The latest progress report from Central Manitoba Mines received at the head office in Toronto states the Tene 6 ore shoot on the 250-ft. level has now been opened up for a total length of 300 feet. With both faces still in ore. Some high grade ore has been encountered in places, considerable $25 ore, and the lowest runs $10 over the full width of the drift. The faces were in $14 ore at the time the report was sent forward.

The Tene 6 workings are three quarters of a mile from the main workings.

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HILLTOP TO HAVE TWO OPERATIONS IN BOSTON CREEK

Plan Resumption on Regular Group—Will Test Copper Claims

Besides turning into the company free the six Boston Creek copper claims which they had staked, directors of Hilltop Mines also donated 500,000 shares to the treasury which will be used to finance the preliminary development of these claims. The claims in question adjoin the Bracebridge-Round Lake group at Round Lake, on which a 20-ft. body of disseminated ore gave values of 7 per cent. copper and also showed a good precious metal content. Hilltop also plans the resumption of operations on its property adjoining Gold Hill on the West.

An official statement has been sent shareholders by Pres. A. Marland Woolnough. It says:

"The directors announce that they have been able to acquire for the company a controlling interest in six claims at Round Lake in Marquis Twp. These claims are in the copper-bearing formation in which the well-known Amity and Patterson properties are located. The new Hilltop claims lie to the west of Amity, directly on the strike of the ore bodies so far developed and adjoin the Bracebridge syndicate's property on which a wide copper-bearing vein that may prove to be most important has been uncovered.

"These claims were acquired because of an officer of the Hilltop company possessing knowledge of the potential value of the claims and being on the ground in connection with other properties in the district.

"Hilltop acquires these six claims without outlay in cash or shares and the directors feel that they have strengthened the position of the company in view of the broad activity in the proven copper possibilities of the district.

"The directors also announce that negotations are now proceeding to secure the reopening of the property and the carrying out of the original programme.

"When work was discontinued about the end of October, the shaft was down 668 feet with stations cut at intervals of 125 feet. During the sinking operations a number of veins were cut, all of which showed mineralization and several of which showed gold values. No drifting has been done on any of the veins cut. The objective of the shaft is 1,000 feet.

"Meanwhile developments on gold properties in Boston Creek are gradually getting to deeper horizons, with evidence that the ore bodies are increasing in width.

"The gold-bearing formations of the district lie to the north of what has come to be known as the copper belt and the copper-bearing formations are south of the gold-producing rocks, and next to a great granite dome which extends for miles. A number of important discoveries have been made in the search for copper properties along the granite contact. Amity's ore bodies are holding out strongly as the operation goes deeper.

"Copper production at to-day's prices for this metal is exceedingly profitable, and the mining and treating of copper ores is less costly than gold milling. Hilltop now has a possibility of making the shares of the company more valuable, as an important copper vein undoubtedly goes into the new holdings.

"The directors have had only two objects in view: (1) to conserve and protect the property for shareholders and (2) to obtain such support as will enable the company to strengthen its position financially and add to its resources."

WHITEWATER LOOKS GOOD

Whitewater Mines, B.C., is now handling 135 tons daily in its concentrator, and at this capacity it is estimated that ore reserves are sufficient to last 20 to 25 years.

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Astoria Rouyn	.07	.09
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Brett-Trethewey	.29	.33
Canadian Kirkland ..	.04	.06
Gilbec	.35	.40
Harker Gold	.25	.28
Manitoba Basin	.38	.43
McMillan Gold	.85	1.00
Old Colony	..	.45
Wood Kirkland	.10	.13

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Mining Inquiries

Sherritt-Gordon

What is your opinion on Sherritt Gordon as a buy at present and the present management?

Sherritt Gordon is in good hands and well financed. The property has opened out in a spectacular way and is one of the outstanding base metal ventures in the Dominion.

Reona, Laval Quebec

As a holder of shares in Reona Mines and Laval Quebec Mines will you please give me any information which you may have on these stocks?

Reona Mines have been inactive for some considerable time. The Laval Quebec people recently acquired a new property in Quebec, and we understand that they have recently started diamond drilling. Both are gambles.

Multiplex Mining

What information can you give me regarding Multiplex Mining and Milling Power Co.?

The Multiplex Mining and Milling Power Company, own property near the Arrow Lakes in British Columbia of which a considerable amount of development has taken place. The company is capitalized at $1,000,000, $1.00 per share par value. But we are not well posted on the particulars of their enterprise.

San Antonio

What is your opinion of San Antonio? Would it be wise to sell this and buy Noranda?

The San Antonio is quite in the gamble stage, they have opened out some good ore indications but have yet to prove an ore body.

You would certainly be playing safe in putting your money into Noranda, as the elementary risk in this is greatly reduced, and it has shown quite good possibilities.

Hudson Bay

How long will it be before Hudson Bay and Sherritt Gordon are producing and paying dividends? What is the standing of the men behind them?

Hudson Bay and Sherritt-Gordon, it is believed will both enter the production stage some time during the year 1930. This would seem to be at least two years after that or about 1932, before one could reasonably expect them to pay dividends.

Anglo-London

Can you give me any information regarding Anglo-London Mining 6½ per cent. cumulative preferred stock with bonus of 2 shares of common? Do you consider this a safe speculation with any prospects of appreciation?

Anglo-London shares look like a reasonable speculation. Company has two good looking properties, one of which is a proven mine and has closed a deal in New York for funds to put the property on a producing basis.

Keeley

I hold 100 shares of Keeley, purchased at $1.45. Do you not think I would be wise to sell at market price and get out especially since they have stopped paying dividends?

Keeley has halted dividends and is only paying them as earned. The mine is pretty well finished. Not long ago it was estimated that assets were equal to 65 cents per share. The company has still a fair production which is showing a small profit.

Lake Shore

Do you think it likely that there will be any further increase in the Lake Shore dividend by the latter part of 1929?

Lake Shore shares are regarded as being very good stock to buy for a hold of one year. The company is working into a very strong position and while they paid a dividend of $1.00 per share in 1928, there is every indication that they will pay a great deal more in 1929.

Four Good Stocks

I have picked out the following stocks for an investment of 2,000 as a hold—International Nickel (new), Royalite Oil, Mond Nickel and Noranda. Which one of these would be your preference or would you recommend some other stock instead?

You have picked four good stocks either of which will show real profits if held. Doubtless you have read our issue of January 11 in which we reviewed 13 mining stocks. The facts given should fit in well with your views.

Amulet

I would appreciate your opinion on Amulet and Sherritt Gordon.

Amulet looks like a fair speculation. Our information, however, is that Noranda may take over control of the company, if that works out it may be that you will feel repression in the price of the shares.

Sherritt-Gordon is a very large property that is developing in a very attractive way, and the shares are regarded as offering very good possibilities if purchased and held.

Siscoe

What is your opinion of Siscoe Mining stock and would it be a good buy at around 70?

The Siscoe Mining shares are well regarded as a good speculation. The company recently built a mill and just started its operating. It will take some time to get it tuned up before they settle down to production. The ore in the property is quite rich and if the mine continues to develop as it has been doing, it should prove to be an entirely profitable operation.

Manitoba Basin

I would like to have your opinion of Manitoba Basin.

The Manitoba Basin Mines are regarded as being a very good speculation. The company is well financed and is quite aggressive in seeking out new properties, and during the past year got hold of some very good ones. One of these included the rather important discovery which was made near Winnipeg, and another is a very excellent property Herb Lake which is now being diamond drilled.

Eldorado

Please advise me as to how the Eldorado gold mines in Central Manitoba are progressing and also what the current price is and when the shares will be listed on the market.

Eldorado has ceased operation of its Central Manitoba property. Underground developments failed to reveal the same consistent values as were secured on surface and the company decided to husband its cash, something like $200,000 and seek a new property.

Under the circumstances it is doubtful if the company will consider listing its shares. There is a market of a kind in unlisted security sections in Toronto, but as you secured your shares at such a cheap price it would seem good business to hold them and see what the company does in the way of a new operation.

Evangeline

I should appreciate reports on Evangeline Gold and Copper Mines Ltd., with present valuation, and what the prospects for the future may be.

Evangeline Gold and Copper has two properties, one in Nova Scotia, on which work is advancing in an encouraging manner, and the other in N. W. Quebec. The latter is a prospect on which some attractive showings have been opened up, and these are now being diamond drilled to test them out at depth. Being well financed the operation looks like a reasonable speculation.

Gold Hill, Hill Top, Ribago

What is the financial standing of Gold Hill, Hill Top and Ribago? Had I better sell and take a loss or is there any chance of them improving?

Gold Hill has tried hard to find a commercial ore body without success to date, though they are still trying.

Hilltop has a somewhat similar property, geologically, adjoining Gold Hill on the west and recently acquired six claims along the copper zone to the west of the Boston Creek gold area. It looks like a good gamble for this reason.

Ribago is idle and for the moment does not look good.

Central Manitoba Mines

Please give me your opinion on Central Manitoba Mines. I hold a number of shares bought outright at 96 cents for a long hold. Are the present low prices due to the general state of the market or has there been some unfavorable news from the mine?

Central Manitoba Mines have been a disappointment. The venture is in the best of hands, and under real good technical guidance they have endeavored to open out the mine of substantial proportions. They have been successful, however, only in a moderate way and the gamble of the future is as to how big a mine they are going to be able to develop. It is quite evident that the values in the area are very erratic.

Siscoe

Please advise as to whether an investment in Siscoe is a safe one and if there are any chances of appreciation. I understand on good authority that they will begin shipping some time in February.

Siscoe mill is now operating and in a short time the company should be producing gold bullion. It is not a safe investment—no mines are. Look at Hollinger, it looked safe if anything could be and the stock slipped from $22 to $7 per share. Siscoe is in good hands and is reported to have a good tonnage of ore proven, so that it appears to be a reasonable speculation with chances for appreciation.

Falconbridge, Ramon Gold

Is there any truth in the rumor that there are American interests after Falconbridge Nickel?

If this is so, what are the prospects for the stock?

What success has attended the recent diamond drilling campaign at Ramon Gold Mining Co. on their property adjoining Sherritt Gordon?

We have heard it frequently mentioned that U. S. interests were taking a strong position in Falconbridge. One New York house wrote intimating that some steel interest were taking a hand and we have also been told that one of the biggest New York houses was taking an active interest in the market.

In our issue of the 18th we published the only data we have had on hand.

Malartic

What is the situation regarding Malartic Gold Mine at present? What, in your opinion, are its future possibilities?

Malartic Gold Mine is opening out in a very substantial way and gave indications down to 375-foot level, being a very large cutting for position, however, before sinking deeper below that level, the company undertook some diamond drilling and at a short distance below the 375 found igneous rock which seemingly cut off values.

It was the knowledge of the results obtained from that drilling that brought the price of the shares down to below $1.00. The company consequently stopped further development and exploration under ground and launched a diamond drilling campaign in order to find out just what the conditions are that exist in connection with this discovery. This exploration which is now going on, while it is rumored that success has been met with, there is nothing definite yet to go on.

Mining Stock Quotations

Week Ending January 22

	Par Val	Div. Rate	Yield	High for wk.	Low fo wk.	Close	Sales for wk.	Range 1928		Range 1929	
								High	Low	High	Low
Abana	$1	....	....	3.60	3.25	3.25	93700	4.80	1.75	3.90	3.25
Aconda	1	....	....	.18	.14	.16	79000	.47	.10	.18	.13
Aladdin	.	....	....	....	....	....	....	1.85	1.20	1.84	1.78
Albain M.	1	....	....	....	....	....	....	1.05	.20	....	....
Algonquin	1	....	....	.01½	.01	.01	8000	.03	.01	.01½	.01
Amity C.	1	....	....	.32	.28	.30¾	43200	.55½	.24	.35	.28
Amulet	1	....	....	3.40	3.05	3.25	173691	5.45	2.50	3.75	3.05
Apex	1	....	....	.03½	.03½	.03½	200	.09	.01	.05	.02½
Area	1	....	....	.16½	.15	.16	4600	.48	.11	.20	.14
Argo. Con.	1	....	....	.02	.01½	.01½	10350	.34	.01¼	.02	.01
Arno	1	....	....	.38	.30	.36	230600	.39½	.15	.38	.19¼
Atlas	1	....	....	.01½	.01½	.01½	2000	.04¾	.01	.02	.01
Ankerite	1	....	....	....	....	....	....	1.25	.19	.15	.15
Bayview	25c.	....	....	.06¼	.04¾	.04¾	82300	.09¾	.04½	.06¼	.04½
Baldwin	1	....	....	.03½	.02	.03	129300	.03½	.01	.03½	.01½
Barry Holl.	1	....	....	.36½	.31½	.32	88350	1.50	.25	.44	.31½
Bathurst	None	....	....	.35	.29	.29	78100	.44½	.16	.38¾	.26¾
Bedford	1	....	....	.55	.50	.54	23500	.54	.32	.55	2.46
Bidgood	1	....	....	.51	.45	.45	36550	1.60	.25	.60	.41
Big Horn	.	....	....	....	....	....	....	.44	.15	....	....
Big Missouri	1	....	....	1.91	1.31	1.73	1333008	.90	.40	2.00	.75
Boischatel	None	....	....	.02	.01¼	.02	23500	.05	.01	.02	.01
Buckingham	1	....	....	.08½	.07	.08	120700	.10	.04½	.10	.07
Bunker Hill	None	....	....	.10	.07½	.07½	4150	.35	.07¼	.11	.07½
B.C. Pioneer	.	....	....	....	....	....	....	2.00	1.75	....	....
Cambro	1	....	....	.30	.27	.30	3500	.59	.10	.35	.19½
Can. Lorraine	1	....	....	.06	.05	.05	2000	.21	.06	.06	.05
Capitol S.	1	....	....	....	....	....	....	.18½	.05	.05½	.05½
Capitol R.	1	....	....	.08	.06¾	.07½	104300	.26½	.07	.10¾	.06½
Castle Tre.	1	....	....	.40	.37	.40	5000	.81½	.34	.40	.34
Cen. Man.	1	....	....	.75	.68	.68	56485	1.95	.58	.80	.64
Chaput H.	1	....	....	.10	.07½	.10	10600	.18	.05½	.10	.07½
Clericy	None	....	....	.22	.18	.20	17200	.36	.07	.25½	.18
Clifton	1	....	....	....	....	....	....	.02	.00⅜	.00⅜	.00¾
Coast Copper	5	....	....	65.00	61.00	63.00	9326	66.00	8.00	65.00	53.00
Col. Kirk	1	....	....	.01⅜	.01½	.01½	3500	.09½	.01	.02	.01½
Coniagas	5	....	....	2.50	2.05	2.50	950	5.50	1.70	2.60	2.00
Coniaurum	5	....	....	2.15	1.90	1.90	216	5.50	1.00	2.50	1.25
Cons. Smelter	25	10+40	2.97	430	378	420	4033	400	239	430	374
Copper Hill	1	....	....	....	....	....	....	.46	.44	....	....
Cork Prov.	25c.	....	....	.32½	.26	.26	343300	.47	.19	.32½	.21
Corona	1	....	....	.03½	.02	.02	11000	.16	.02	.04	.02
Crown Res.	1	....	....	.13½	.12	.12	35731	.70	.22	.19	.10½
Davidson	1	....	....	....	....	....	....	.03	.00½	....	....
Dunkin	1	....	....	.29	.19	.22	140300	.55	.12½	.29	.18
Destor	1	....	....	....	....	....	....	.28	.20	.10	.10
Dome Mines	None	$1	9.85	10.15	9.80	10.15	10805	13.35	7.65	10.50	9.45
Dom. Kirk.	1	....	....	.01	.01	.01	10500	.06½	.01½	.01	.00¾
Don. Rouyn	1	....	....	.11	.10	.11	6350	.30	.10	.12	.10
Dubec	1	....	....	....	....	....	....	.72	.40	....	....
Duprat	1	....	....	.03¼	.03	.03	11800	.12½	.02½	.03½	.02½
Dupuy	1	....	....	....	....	....	....	.10¼	.10	....	....
Dunwell	1	....	....	....	....	....	....	.35	.20	....	....
Duthie	1	....	....	....	....	....	....	1.40	1.00	....	....
Everett	1	....	....	....	....	....	....	.33	.01	....	....
Falconbridge	.	....	....	7.70	6.25	7.50	73635	5.30	4.50	7.75	5.15
Federal Kirk	1	....	....	.05	.04½	.05	2500	.77	.01	.05	.04
George Cop.	1	....	....	11.50	8.50	10.75	23080	8.65	2.50	11.50	7.95
Golconda	1	....	....	1.05	.93	1.04	193700	1.13	.66	1.95	.81
Goldale	1	....	....	.15½	.15	.15½	7200	.44	.11	.19	.14½
Gold Hill	1	....	....	.06½	.05	.05⅜	96800	.38½	.05	.09½	.05
Gold Reef	1	....	....	.01⅛	.00¾	.00¾	5000	.03	.01	.01⅛	.00¾
Goodfish	1	....	....	.22	.19	.20½	29128	.78	.15½	.25	.17
Graham	1	....	....	.35	.30	.30½	41650	.45	.18	.37	.28
Grandview	50c.	....	....	.90	.74	.85	698250	.87	.30	1.00	.54½
Granada	1	....	....	.25	.21	.22	43550	.35½	.16½	.29½	.20
Grover Daley	1	....	....	.05	.02	.02	49600	.15	.02½	.05	.02
Harker	1	....	....	....	....	....	....	.43	.15	....	....
Hillcrest, c.	100	6	8.57	....	....	....	....	75.00	65.00	70.00	70.00
Hillcrest, p.	100	7	7.69	....	....	....	....	91.00	85.00	....	....
Hilltop	1	....	....	.05½	.04	.05	52500	.23½	.03	.07	.03
Hollinger	5	65c.	....	10.00	8.75	9.75	20113	18.10	7.00	10.00	8.25
Howey Gold	1	....	....	1.19	1.10	1.10	72360	1.91	.61	1.25	1.10
Hudson	None	....	....	21.00	20.00	21.00	22410	23.25	16.40	22.25	20.00
Indian	1	....	....	.10	.07	.10	29400	.15	.04½	.10	.05
Int. Nickel, new	None		....	70.00	53.25	70.00	1282917	45.00	31.25	70.00	46.00
Jackson M.	1	....	....	.40	.31	.32½	163755	1.02	.37	.40	.24
Keeley	1	....	....	.51	.40	.45	13700	.85	.37½	.51	.34
Keora M.	1	....	....	....	....	....	....	.05	.01½	....	....
Kirk. Hunt.	1	....	....	.04½	.04	.04	5500	.26	.03	.06	.03
Kirk. Lake	1	....	....	1.85	1.58	1.84	96035	2.75	1.05	1.92	1.58
Kirk. Prem.	1	....	....	.12	.12	.12	1500	.40	.10	.15	.10
Koot. Flor.	20c.	....	....	.30	.25	.26	299600	.47	.15	.30	.19½
Koot. King.	1	....	....	.51	.40	.41	128700	.67	.24	.51	.32½
L. Kamiskotia	1	....	....	....	....	....	....	1.28	.87	....	....
La Rose	1	....	....	....	....	....	....	.08⅞	.03	....	....
Lake Shore	1	80+20c.	5.12	19.50	18.75	19.50	10340	27.20	14.75	21.50	18.75
Lebel Ore	1	....	....	.11	.11	.11	3000	.59	.09½	.14	.10
Laval	1	....	....	.09½	.07½	.07½	17600	.38	.06	.10½	.07½
Lorrain C.	1	....	....	.00¼	.00¼	.00¼	3000	.03	.00½	.00¼	.00¼
Lorrain T. L.	1	....	....	....	....	....	....	.70	.30	.01	.01
Lucky Jim	10c.	....	....	.26	.23	.25	106800	.44	.21½	.26	.21½
McLeod R.	1	....	....	....	....	....	....	.35½	.34½	....	....
Mandy	1	....	....	1.30	1.25	1.25	11896	3.50	1.15	1.45	1.25
Macassa	1	....	....	.27	.25	.25	9600	.55½	.16	.30	.24¾
Malartic	1	....	....	1.10	.95	.95	134525	1.85	.70	1.14	.88
Malrobic	.	....	....	.15	.15	.15	25	.37½	.29	.15	.15
Marriott	1	....	....	....	....	....	....	.46	.04	....	....
McDougall	1	....	....	.56	.50	.55½	23550	.74¼	.31	.59	.46
McKinley	1	....	....	.22½	.21½	.22	2200	.21	.15	.22¼	.20
McIntyre	5	20	4.65	23.20	21.50	21.50	8701	29.00	18.80	24.00	21.00
Mentor	10	....	....	....	....	....	....	13.00	12.50	....	....
Millcrest	1	....	....	.02¾	.02	.02¾	15000	.12	.01½	.02¾	.01½
Mining Corp.	5	37½c.	....	5.10	4.55	5.05	78886	5.50	2.92	5.10	4.00
Moneta	1	....	....	....	....	....	....	.12	.07	....	....
Montreal R.	1	....	....	....	....	....	....	.16	.04¾	.02½	.02½
Mint Ore	1	....	....	.19	.16	.19	2100	.44	.10	.19	.15
Mond Nickel	10s.	18½	....	67.00	52.00	66.50	35605	46.50	20.00	67.00	45.00
Moss	1	....	....	.60	.60	.60	4725	.95	.25	.72½	.60
Murphy	1	....	....	.64	.57	.63	50000	.83	.28	.67	.55
Moffatt Hall	1	....	....	.15	.12	.14	30300	.35½	.08½	.20	.10
Morton Woolsey	25		....	.06	.05	.05½	186000	.09	.04⅝	.06½	.05
Nat. Silver	50c.	....	....	....	....	....	....	.20½	.12	....	....
Newbec	1	....	....	.38½	.35	.36	63850	.69	.24½	.43	.35
Night Hawk	1	....	....	.05½	.05½	.05½	1500	.10	.05	.05½	.05
Nipissing	5	6	8.82	3.50	3.25	3.40	10880	6.20	2.50	3.90	3.25
Noble Five	50c.	....	....	.82	.74	.79	224100	.53	.33	.82	.56
Noranda	None	....	....	69.00	61.00	68.50	278845	76.50	17.00	69.00	61.00
Notre Dame	1	....	....	....	....	....	....	.82	.50	....	....
Nor. Canada	.	....	....	1.00	.95	.99	8350	.70	.60	1.02	.92
Ophir	1	....	....	....	....	....	....	.03	.00½	....	....
Osisko	.	....	....	.52	.46	.52	6300	.75	.35	.55	.46
Picard	1	....	....	.02½	.01¼	.02¼	625700	.77	.00¾	.02½	.01
Pawnee Kirk	1	....	....	.06	.05	.05¼	37500	.80	.05	.07	.05
Pend Ore	1	....	....	17.00	12.00	16.00	130279	25.50	8.00	17.00	10.00
P. L. Cobalt	1	....	....	.24	.24	.24	5600	.30	.06	.26½	.19
Porc. Crown	1	....	....	.02½	.02½	.02½	4000	.08	.01	.03	.02¼
Pioneer	1	....	....	.39	.35	.37	22300	.68	.31	.41	.33
Pioneer Gold	1	....	....	1.50	1.50	1.50	100	2.00	1.70	1.50	1.50
Potter Doal	None	....	....	.02½	.02¼	.02¼	32000	.22	.01¼	.02½	.01½
Premier Gold	1	24c.	10.90	2.25	2.18	2.20	28224	3.50	2.14	2.35	2.15
Preston	1	....	....	....	....	....	....	.05	.01½	.03	.03
Porter Idaho	50c.	....	....	.82	.71	.77	82850	.88	.48	.82	.70
Reeves McD.	None		....	4.50	3.00	3.90	207600	1.25	1.25	4.50	1.25
Ribago	1	....	....	.04	.03	.04½	13000	.25	.02½	.05	.02½
Rubec	1	....	....	....	....	....	....	.54¼	.04	.06	.06
Realty & M	None	....	....	....	....	....	....	.54	.08	....	....
R. Monybray	.	....	....	.06	.05	.05	8700	.32	.05	.06	.03
Ruth Hope	1	....	....	.73	.60	.61½	155650	.71	.44	.73	.58
Rouyn Kenn.	1	....	....	....	....	....	....	2.00	1.00	....	....
Rufus Argenta	1	....	....	.55	.58	.45	278700	.37	.14	.57	.29
Simard	.	....	....	....	....	....	....	11.50	7.75	....	....
Silversmith	20c.	....	....	....	....	....	....	.23	.08	....	....
Slocan King	20c.	....	....	....	....	....	....	.11	.05	....	....
Slocan Rambler	25c.		....	.33	.25	.25	112100	.20½	.16	.33	.10
Selkirk	.	....	....	....	....	....	....	.03½	.02⅞	....	....
San Antonio	None	....	....	.20	.18	.18	23650	.57½	.18	.26½	.18
Silverado	1	....	....	1.38	1.10	1.25	21210	.80	.75	1.38	.95½
Siscoe	1	....	....	1.50	1.05	1.48	629940	.90½	.15	1.50	.89
Snowflake	50c.	....	....	.42	.39½	.41½	96350	1.35	.25	.42	.30
Stadacona	None	....	....	.10½	.09½	.10	31750	.21½	.07	.12½	.08
St. Anthony	1	....	....	.66	.61	.66	39350	.75	.32	.66	.45
Sudbury M.	1	....	....	....	....	....	....	.33½	.10½	....	....
Sylvanite	1	....	....	2.15	2.05	2.05	2000	3.90	1.95	2.55	2.03
Sherritt G.	1	....	....	7.10	6.90	6.95	142460	8.40	5.45	7.30	6.50
Sud. Basin	None	....	....	9.10	8.25	8.95	83885	12.00	5.15	9.75	8.25
Sud. Contact	1	....	....	.07	.05½	.05½	8100	.50	.05¼	.08	.05½
Sunloch	1	....	....	4.50	3.95	4.15	17525	6.50	1.95	4.50	3.25
Tashota	.	....	....	.20	.15	.20	7500	.37	.12	.23	.15
Thom. Cad'c	1	....	....	.36	.30	.30	8100	1.06	.22	.50	.30
Topley	50c.	....	....	.61	.52	.55	238550	.65	.43	.61	.45
Teck Hughes	1	60c.	6.66	9.15	8.85	9.00	57125	11.60	7.50	9.90	8.85
Telluride	1	....	....	....	....	....	....	.58	.20	....	....
Toric	5	....	....	2.30	2.00	2.00	700	3.50	2.00	2.50	2.00
Tough Oakes	1	....	....	.09⅛	.07	.07¼	52600	.79	.07	.10½	.07
Towagmac	1	....	....	3.35	2.98	3.00	13390	4.75	2.25	3.85	2.98
Timiskaming	1	....	....	....	....	....	....	.10½	.05	....	....
Treadwell Y.	1	....	....	12.50	11.50	12.00	645	32.00	9.50	13.00	10.00
Vickers	1	....	....	.80	.80	.80	1000	1.25	.60	.80	.50
Vipond	1	....	....	1.20	1.05	1.19	202818	.99	.42	1.25	.83
Waite Ackerman		....	....	2.35	2.35	2.35	100	2.75	2.50	2.75	2.35
West D. Lake	1	....	....	.08½	.08	.08½	39800	.17½	.07½	.10	.08
Wiltsey C.	1	....	....	....	....	....	....	.56	.34	....	....
Wright Har	None	....	....	2.45	1.65	2.25	286611	6.80	1.40	2.95	1.45
Windfall R.	None	....	....	.07	.06	.06½	48300	.25	.02½	.07½	.05
Whitewater	1	....	....	1.40	1.35	1.39	72400	2.85	1.05	1.48	51.2
Woodbine	None	....	....	.05	.03½	.03½	121950	.46	.03½	.07	.03¼
CALGARY OIL STOCKS											
Acme	.	....	....	.36	.34	.36	554	.30	.17	.36	.34
Advance	1	....	....	.72	.62	.72	12181	.95	.25	.72	.54½
Alta. Pac.	1	....	....	.76	.69	.73	35093	.81	.30	.76	.58
Black Dia.	.	....	....	....	....	....	....	.35	.12	.14	.14
Brit. Dom.	1	....	....	.64	.63	.64	6045	.75	.25	.65	.55½
Calmont Es.	.	....	....	....	....	....	....	1.00	.50	....	....
Calmont Treas	1	....	....	.95	.90	.90	6295	2.10	.45	1.10	.67½
Cal. Pet. P.	.	....	....	....	....	....	....	5.50	3.05	....	....
Cherokee	.	....	....	....	....	....	....	.07	.06	....	....
Commercial	.	....	....	.34	.34	.34	300	....	....	.34	.34
Dalhousie	None	....	....	2.12½	1.90	1.90	18753	4.25	1.50	2.12½	1.60
Dallas	.	....	....	.25	.20	.25	1140	.30	.10	.25	.20
Freehold	.	....	....	1.10	1.02	1.10	5360	....	....	1.10	1.02
Devenish	None	....	....	.48	.47	.47	6463	.75	.25	.50	.37
East Crest	.	....	....	2.00	1.25	2.00	260	....	....	2.00	1.25
Great West	1	....	....	.10	.10	.10	100	.34	.10	.10	.10
Highland	.	....	....	....	....	....	....	.25	.20	....	....
Ill. Alta.	1	....	....	.67	.61	.62	15150	.77½	.45	.70	.60
Madison	.	....	....	.07	.07	.07	600	.20	.07	.08½	.07
Mayland	.	....	....	....	....	....	....	2.56	1.06	3.20	2.40
McD.S. Ex.	1	....	....	2.30	2.18	2.25	3375	3.00	1.40	2.30	2.00
Mc.D.S.(new)	1	....	....	1.40	1.32	1.35	2195	1.50	1.00	1.40	1.30
McLeod	1	....	....	5.00	3.90	4.22¼	8020	7.90	2.97	5.15	3.90
Mid West	1	....	....	.30	.25	.29	1987	.60	.15	.23	.22
Mill City	1	....	....	.55	.50	.50	1105	.55	.27	.60	.45
Moose M'tn	1	....	....	....	....	....	....	.30	.25	....	....
N.W. Pacific	.	....	....	....	....	....	....	.09	.09	....	....
Okalta, c.	None	....	....	190.00	172.50	172.50	49	400.00	20.00	260.00	172.50
Okalta, p.	100	....	....	225.00	220.00	220.00	74	450.00	66.00	320.00	210.00
Ranchmen's	1	....	....	.42½	.42½	.42½	200	.80	.30	.45	.42
Regent	.	....	....	.40	.35	.35	6600	.90	.30	.56	.35
Rose Hill	.	....	....	1.10	1.10	1.10	310	....	....	1.10	1.10
Royalite	None	....	....	67.00	66.50	67.00	299	84.00	45.00	67.00	63.00
Signal Hill	1	....	....	.13½	.12	.12	1450	.30	.06	.15	.12
Spooner	1	....	....	1.45	1.30	1.30	4415	3.10	1.10	1.45	1.27½
Stockmen	1	....	....	....	....	....	....	.60	.32	....	....
Turner Valley	1	....	....	.45	.43	.43	695	.70	.30	.45	.41
United	1	....	....	1.90	1.75	1.80	1702	2.65	1.19	1.90	1.72
Vulcan	1	....	....	1.15	1.00	1.00	3031	3.00	1.50	1.55	1.00

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